TENARIS SA
Form F-4/A
August 08, 2003

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As filed with the Securities and Exchange Commission on August 8, 2003

Registration No. 333-106778

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1
to

Form F-4

REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Tenaris S.A.

(Exact name of Registrant as specified in its charter)
N/A
(Translation of Registrant s name into English)

Grand Duchy of Luxembourg	3311	Not Applicable
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

13, rue Beaumont

L-1219 Luxembourg
(352) 2647-8978
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

GIOVANNI GALLO
Techint Inc.
420 Fifth Avenue, 18th Floor
New York, New York 10018
(212) 376-6500
(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

CARLOS J. SPINELLI-NOSEDA, ESQ.

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
(212) 558-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the conditions to the consummation of the transaction described herein have been satisfied.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion. Dated August 8, 2003.

Offer to Exchange American Depositary Shares

We are offering to exchange:

one Tenaris ADS (representing 10 ordinary shares of Tenaris) for every 9.4520 common shares of Tubos de Acero de México, or Tamsa, tendered; *and*

one Tenaris ADS for every 1.8904 Tamsa ADSs tendered.

This exchange offer will expire at 5:00 P.M., New York City time (or 4:00 P.M., Mexico City time) on September 12, 2003, unless extended. You may withdraw any securities tendered at any time prior to the expiration date.

If you hold Tamsa shares, you may tender these shares into this exchange offer only if you deposit these shares in exchange for Tamsa ADSs with JPMorgan Chase Bank, or JPMorgan Chase, as depositary for Tamsa s ADR program, or the Tamsa depositary, prior to 5:00 P.M., New York City time (or 4:00 P.M., Mexico City time) on September 10, 2003. If you hold Tamsa ADSs and if you have not tendered your Tamsa ADSs by the expiration date, you will be deemed to have instructed the Tamsa depositary to tender your Tamsa ADSs in exchange for Tenaris ADSs. However, in order to receive Tenaris ADSs in exchange for Tamsa ADSs tendered by the Tamsa depositary on your behalf, you must surrender your Tamsa ADS certificates to the Tamsa depositary by March 12, 2004.

The completion of this exchange offer is subject to certain conditions. For a discussion of these conditions, see Part Three The Exchange Offer Conditions to Completion of the Exchange Offer. We reserve the right to modify or waive any of these conditions in our discretion, subject to applicable law.

Tamsa s common shares are listed on the Mexican Stock Exchange and Tamsa s ADSs are listed on the American Stock Exchange, or AMEX.

Tenaris s ADSs are listed on the New York Stock Exchange, or NYSE, under the symbol TS, and Tenaris s ordinary shares are listed on the *Bolsa de Comercio de Buenos Aires,* or the Buenos Aires Stock Exchange, the *Bolsa de Comercio de México,* or the Mexican Stock Exchange, and the *Borsa Italiana,* or the Milan Stock Exchange.

Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003, and Tamsa will terminate the deposit agreement relating to Tamsa s ADSs, or the Tamsa deposit agreement, effective on September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

For a discussion of risk factors which you should consider in evaluating this exchange offer, see Risk Factors beginning on page II-1.

Neither the Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of the securities to be issued in connection with this exchange offer or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

August l, 2003

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CERTAIN DEFINED TERMS

Unless otherwise specified or if the context so requires:

References in this prospectus to the Company, we, us or our refer exclusively to Tenaris S.A., a Luxembourg corporation.

References in this prospectus to Tenaris refer to the Company, on a consolidated and combined basis with various other companies under the common control of San Faustín N.V. (a Netherlands Antilles corporation and the Company s controlling shareholder). On October 18, 2002, these companies, which include the Tenaris companies and Tenaris Global Services, were reorganized as subsidiaries of the Company. See notes A and B to the audited consolidated combined financial statements of Tenaris included elsewhere in this prospectus and Part Four Information about Tenaris Related Party Transactions Corporate Reorganization Transactions.

References in this prospectus to the Tenaris companies refer to Tenaris s manufacturing subsidiaries, including Siderca S.A.I.C., or Siderca, Tamsa and Dalmine S.p.A, or Dalmine, and their respective subsidiaries.

References in this prospectus to Tenaris Global Services refer to Tenaris Global Services S.A., the subsidiary of the Company that provides a wide range of commercial, technical and logistical services to the Tenaris companies outside of their respective domestic markets through a worldwide network of subsidiaries, representative offices and assets.

References in this prospectus to the Techint group refer to an international group of companies with operations in the steel, energy, infrastructure, engineering, construction and public service sectors over which San Faustín exercises either control or significant influence.

References in this prospectus to Techint commercial network refer to an extensive commercial network with operations worldwide providing a wide range of services to the Tenaris companies outside of their respective domestic markets. On October 18, 2002, the subsidiaries, representative offices and other assets that now constitute Tenaris Global Services were separated from the Techint commercial network. Furthermore, effective as of December 17, 2002, the export agency agreements that the Tenaris companies were parties to with companies in the Techint commercial network not subject to the reorganization described above were assigned to Tenaris Global Services or its subsidiaries. Accordingly, all of the commercial, technical and logistical services provided to the Tenaris companies by companies, representative offices and other assets formerly part of the Techint commercial network are provided by Tenaris Global Services and not by any company remaining in the Techint commercial network. See Part Four Information about Tenaris Business Sales and Marketing and Related Party Transactions Corporate Reorganization Transactions.

INFORMATION INCORPORATED BY REFERENCE

This prospectus incorporates important business and financial information about Tamsa by reference and, as a result, this information is not included in or delivered with this prospectus. Documents incorporated by reference are available from us without charge. You may also obtain documents incorporated by reference into this prospectus by requesting them in writing or by telephone from the information agent:

Georgeson Shareholder

17 State Street 10th Floor
New York, N.Y. 10004

Banks and brokers call (212) 440-9800

All others call toll free: (866) 423-4876

To obtain timely delivery of these documents, you must request them no later than September 5, 2003. For a list of those documents that are incorporated by reference into this prospectus, see Part Seven Additional Information for Shareholders Incorporation of Certain Documents by Reference.

In addition, you may obtain additional information on Tamsa from various public sources. For a list of such sources, please see Part Seven Additional Information for Shareholders Where You Can Find More Information.

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Presentation of Certain Financial and Other Information

Accounting Principles

Tenaris

Tenaris prepares its consolidated financial statements in conformity with International Accounting Standards, or IAS. IAS differ in certain significant respects from generally accepted accounting principles in the United States, commonly referred to as U.S. GAAP. See notes U and 31 to Tenaris s audited consolidated combined financial statements included in this prospectus, which provide a description of the principal differences between IAS and U.S. GAAP as they relate to Tenaris s audited consolidated combined financial statements and a reconciliation of net income and shareholders equity for the years and at the dates indicated.

The consolidated combined financial statements of Tenaris at December 31, 2002 and for the year ended December 31, 2002 included in this prospectus consolidate at December 31, 2002, and for the period that began on October 18, 2002 and ended December 31, 2002, the consolidated financial statements of each of Siderca, Tamsa, Dalmine, Invertub S.A. and Tenaris Global Services, as well as the consolidated financial statements of five smaller companies (Metalcentro S.A., Tenaris Connections A.G., Lomond Holdings B.V., Information Systems and Technologies B.V. and Siderestiba S.A.) and combine, for the period that began on January 1, 2002 and ended October 17, 2002, the consolidated financial statements of all these companies on the basis that such companies were under the common control of San Faustín for such period. October 18, 2002 is the date on which these companies, which include the Tenaris companies and Tenaris Global Services, were reorganized as subsidiaries of the Company. The effect of this presentation is to show the combined historical results, financial condition and other data of the various steel pipe manufacturing and distributing companies under the common control of San Faustín as though these companies had been our subsidiaries at the dates and during the periods presented. For comparative purposes, the audited consolidated combined financial statements of Tenaris for the years ended December 31, 2001 and 2000, combine, at each of the dates and for each of the periods presented therein, the consolidated financial statements of all these companies on the basis that such companies were under the common control of San Faustín at each such date and for each such period. See notes A and B to Tenaris s audited consolidated combined financial statements included in this prospectus.

Tamsa

Tamsa prepares its financial statements in conformity with generally accepted accounting principles in Mexico, commonly referred to as Mexican GAAP. Mexican GAAP differ in significant respects from U.S. GAAP. See note 12 to Tamsa s audited consolidated financial statements incorporated by reference into this prospectus for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to Tamsa and for a reconciliation of net income (loss) and shareholders equity for the years and at the dates indicated.

The financial statements of Tamsa incorporated by reference into this prospectus were prepared giving effect to Bulletin B-10 Recognition of Effect of Inflation on Financial Information, as amended, and Bulletin B-12, Statements of Changes in Financial Position, issued by the Mexican Institute of Public Accountants, or the MIPA, each of which became effective in 1990, and Bulletin B-15, Foreign Currency Transactions and Translation of Financial Statements of Foreign Operations, also issued by the MIPA and adopted by Tamsa in 1998. Generally, Bulletin B-10 provides for the recognition of the effects of inflation by requiring Mexican companies to restate inventories and fixed assets at current

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replacement cost, to restate all other non-monetary assets and non-monetary liabilities as well as the components of shareholders equity using the Mexican consumer price index and to record gains or losses in purchasing power from holding monetary liabilities or assets. The Third Amendment to Bulletin B-10 requires restatement of all financial statements to constant Mexican pesos as of the date of the most recent balance sheet presented. The Fifth Amendment to Bulletin B-10 was issued effective January 1, 1997, by the MIPA. Under the Fifth Amendment, Mexican companies are no longer permitted to restate fixed assets at current replacement cost, but are instead required to restate them using the Mexican consumer price index or inflation factors of the country of origin in the case of imported assets. Bulletin B-12 specifies the appropriate presentation of the statement of changes in financial position when the financial statements have been adjusted for inflation and restated in constant Mexican pesos in accordance with Bulletin B-10. Bulletin B-12 identifies the sources and applications of resources representing differences between beginning and ending financial statement balances in constant Mexican pesos. Bulletin B-15 prescribes the methodology for foreign currency transactions and the recognition of inflation in the financial information of foreign subsidiaries. Unless otherwise noted, all data in the audited financial statements incorporated by reference into this prospectus and all other Tamsa financial data included throughout this prospectus and relating to dates or periods covered by the audited financial statements have been adjusted for inflation and restated in constant Mexican pesos as of December 31, 2002.

Currencies

In this prospectus, unless otherwise specified or the context otherwise requires:

- dollars, U.S. dollars or USD each refers to the United States dollar;
- Argentine pesos or ARP each refers to the Argentine peso;
- Mexican pesos or MXP each refers to the Mexican peso; *and*
- or euros each refers to the euro, the single currency established for participants in the European Economic and Monetary Union, or the EMU, commencing January 1, 1999. The Republic of Italy is a participant in the EMU. The euro replaced the Italian lira as the official currency of Italy on that date.

On August 6, 2003, the exchange rate between the Argentine peso and the U.S. dollar (as published by *Banco Central de la República Argentina*, or the Argentine Central Bank) was ARP2.93=USD1.00, the Federal Reserve Bank of New York noon buying rate for the Mexican peso was MXP10.71=USD1.00 and the Federal Reserve Bank of New York noon buying rate for the euro was 0.8805=USD1.00. We do not represent that Argentine pesos, Mexican pesos or euros could be converted into U.S. dollars at these respective rates or any other rate. See Part Seven Additional Information for Shareholders Exchange Rates Argentine peso, Mexican peso and Euro for additional information regarding exchange rates between the U.S. dollar and the Argentine peso, the Mexican peso and the euro, respectively.

Rounding; Comparability of Data

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

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The data provided in this prospectus for the sales volumes and revenues of Tenaris is not necessarily comparable to similar information provided for Tamsa. This difference is mainly due to:

- the timing of each company s recognition of the sale of its products; Tenaris recognizes the sale of its products at the time they are sold by the reseller to the end user (or at the expiration of the acceptance period, if applicable) in accordance with IAS, while Tamsa recognizes the sale of its products at the time they are sold to the reseller in accordance with Mexican GAAP; *and*

- the elimination, from the sales volumes and revenues of Tenaris, of Tamsa s sales to other companies that are consolidated into Tenaris.

No Internet Site is Part of This Prospectus

Each of Tenaris and Tamsa maintains an Internet site at www.tenaris.com and www.tamsa.com.mx, respectively. Information contained in or otherwise accessible through these websites is not a part of this prospectus. All references in this prospectus to these Internet sites are inactive textual references to these URLs, or uniform resource locators and are for your informational reference only.

Cautionary Statement Concerning

Forward-Looking Statements

This prospectus contains certain statements that we consider to be forward-looking statements. The statements appear throughout this prospectus and are subject to risks and uncertainties. These statements include information regarding:

- management strategy;

- capital spending;

- development and growth of the seamless steel pipe and oil and gas industries;

- trends and other prospective data, including trends regarding the levels of investment in oil and gas drilling worldwide and the business development and operations of Dalmine Energie S.p.A.;

- general economic conditions in Argentina, Mexico, Italy and Venezuela and other countries in which Tenaris operates and distributes pipes; *and*

- any synergies and benefits as a result of this exchange offer, the cooperation within Tenaris, and Tenaris s acquisition of the remaining minority interests at Tamsa.

Sections of this prospectus that by their nature contain forward-looking statements include Questions and Answers About the Exchange Offer, Part One Summary, Part Two Risk Factors, Part Three The Exchange Offer, Part Four Information about Tenaris Business, Part Four Inf about Tenaris Management s Discussion and Analysis of Financial Condition and Results of Operations, Part Four Information about Tenaris Risk Management and Part Five Information about Tamsa Recent Developments.

Forward-looking statements also may be identified by the use of words such as believes, expects, anticipates, projects, intends, should, s estimates, probability, risk, target, goal, objective, future or similar expressions or variations of such expressions.

The forward-looking statements contained in this prospectus speak only as of the date of this document, and 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.

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Who Can Help Answer My Questions?

If you have more questions about this exchange offer, you should contact the information agent at the address or telephone numbers set forth in the inside front cover of this prospectus under Information Incorporated by Reference.

Additional copies of this prospectus, the letter of transmittal and the form of acceptance may be obtained from the information agent, brokers, dealers, commercial banks or trust companies.

To obtain timely delivery of these documents, you must request them no later than September 5, 2003.

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Questions and Answers About the Exchange Offer

Q: What is the purpose of this exchange offer?

A: On November 11, 2002, we launched an exchange offer for all the outstanding shares and American Depositary Shares, or ADSs, of Siderca and Tamsa and all of the outstanding shares of Dalmine. After consummation of the exchange offer on December 17, 2002, we held, directly or indirectly, 94.5% of Tamsa s total outstanding capital stock. On April 30, 2003, Tamsa cancelled 3,650,000 shares of Tamsa held by its subsidiary Tamsider LLC and, as a result, our ownership of Tamsa s total outstanding capital stock was reduced to 94.44%.

Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Following its delisting from the Mexican Stock Exchange, Tamsa will no longer be required to have independent directors and is expected not to have any independent directors in the future. Tamsa will terminate the deposit agreement relating to Tamsa s ADSs effective on September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law.

Through this exchange offer, we intend to provide the remaining public holders of Tamsa shares and ADSs with an additional opportunity to exchange their shares and ADSs for our ADSs on similar conditions to those in our previous exchange offer.

Q: What will I receive in this exchange offer?

A: You will receive

one newly issued Tenaris ADS for every 9.4520 Tamsa common shares you tender; *and*

one newly issued Tenaris ADS for every 1.8904 Tamsa ADSs you tender.

If you hold Tamsa shares, you may tender these into this exchange offer only if you deposit these shares with the Tamsa depositary in exchange for Tamsa ADSs prior to September 10, 2003.

Q: Is the Company a publicly listed company?

A: Yes. Our ADSs are listed on the NYSE under the symbol TS, and our ordinary shares are listed on the Buenos Aires Stock Exchange, the Mexican Stock Exchange and the Milan Stock Exchange.

Q: Will Tamsa continue to be a publicly listed company after consummation of this exchange offer?

A: No. Because we acquired more than 88% of Tamsa s outstanding share capital in a previous public exchange offer, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange. Therefore, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Tamsa will terminate the Tamsa deposit agreement and petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

Q: Will Tamsa continue to be a reporting company in the United States after consummation of this exchange offer?

A: Probably not. We expect that, after consummation of this exchange offer, there will be a limited number of holders of Tamsa shares and ADSs resident in the United States. In accordance with applicable law, we intend to cause Tamsa to apply to deregister as a reporting company with the SEC.

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Q: Who may participate in this exchange offer?

A: All holders of Tamsa shares and ADSs may participate in this exchange offer. However, any holder of Tamsa shares may tender these shares into this exchange offer only if such holder deposits these shares with the Tamsa depositary in exchange for Tamsa ADSs prior to 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 10, 2003.

Q: Will all of the securities that I tender be accepted?

A: Unless we determine not to consummate this exchange offer because one of its conditions is not met, we will accept all of the securities that you tender pursuant to this exchange offer.

Q: Does the Company own any equity securities of Tamsa?

A: Yes. As of July 31, 2003, we owned, directly or indirectly, approximately 94.44% of Tamsa s total outstanding shares.

Q: Does the Company require any approvals from its shareholders, any governmental authorities or any third parties in order to accept Tamsa securities for exchange and to issue and deliver Tenaris securities pursuant to this exchange offer?

A: No further shareholder, governmental or third party approvals are required to permit us to accept Tamsa securities for exchange and to issue and deliver Tenaris ADSs pursuant to this exchange offer.

Q: Has Tamsa or its board of directors made any recommendation regarding this exchange offer?

A: No. We have informed Tamsa and its board of directors of the terms of the exchange offer in accordance with applicable law. Within ten business days of the date of this prospectus, the board of directors of Tamsa is required to express its opinion in respect of this exchange offer. In accordance with applicable law, Tamsa s board may recommend that the holders of shares and ADSs accept or reject the exchange offer, may express no opinion and remain neutral toward this exchange offer, or may state that it is unable to take a position with respect to this exchange offer. In each case, Tamsa s board has to explain the reasons for its position. Directors with conflicts of interest must abstain from discussing and voting on these matters in the relevant board meeting.

Q: How do I participate in this exchange offer?

A: If you hold Tamsa shares and want to participate in this exchange offer, you must deposit your Tamsa shares with the Tamsa depositary before 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 10, 2003. After obtaining the Tamsa ADSs corresponding to the Tamsa shares you deposit, you must follow the procedures for tendering Tamsa ADSs.

If you hold Tamsa ADSs and want to participate in this exchange offer, you may tender your Tamsa ADSs in the manner described in the prospectus before 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on the expiration date, September 12, 2003 (or, if this exchange offer is extended, the new expiration date, which will be publicly announced).

Alternatively, if you hold Tamsa ADSs and want to participate in this exchange offer, you may elect not to take any action prior to the expiration of this exchange offer. **If you have not tendered your Tamsa ADSs by the expiration date of this exchange offer, you will be deemed to have instructed the Tamsa depositary to tender your Tamsa ADSs in exchange for Tenaris ADSs. However, in order to receive Tenaris ADSs in exchange for Tamsa ADSs tendered by the Tamsa depositary on your behalf, you must surrender your Tamsa ADS certificates to the Tamsa depositary by March 12, 2004.** Otherwise, the Tamsa depositary may sell the Tenaris ADSs held on deposit on your behalf. In connection with any such sale, upon surrender of your Tamsa ADS certificates, you will be entitled to receive the proceeds of the sale, less fees, taxes and expenses. See Part Three The Exchange Offer Procedures for Tendering Tamsa Shares and ADSs Tamsa ADSs and Amendment and Termination of the Tamsa Deposit Agreement.

Q: May I tender my Tamsa securities ADSs on the expiration date for this exchange offer?

A: If you hold Tamsa ADSs, you may tender your Tamsa ADSs in exchange for Tenaris ADSs at any time until the expiration date of this exchange offer, as there will not be any guaranteed delivery procedures in connection with this exchange offer.

If you hold Tamsa shares, you may not tender these into this exchange offer unless you deposit these shares with the Tamsa depositary in exchange for Tamsa ADSs prior to 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 10, 2003.

Q: What should I do if I do not want to tender my Tamsa shares or ADSs?

A: **If you hold Tamsa ADSs and do not want to accept this exchange offer, you must surrender your Tamsa ADSs to the Tamsa depositary and withdraw the underlying deposited Tamsa shares prior to the expiration of this exchange offer. Otherwise, the Tamsa depositary will automatically tender your Tamsa ADSs into this exchange offer.** For more information, including on procedures for withdrawing underlying deposited Tamsa shares, see Part Three The Exchange Offer Procedures for Tendering Tamsa Shares and ADSs Tamsa ADSs and Amendment and Termination of the Tamsa Deposit Agreement.

If you hold Tamsa shares and do not want to accept this exchange offer, you do not need to take any action.

Q: What will be the consequences for me if I elect not to participate in this exchange offer?

A: If you hold Tamsa shares and elect not to participate in this exchange offer, you will retain ownership of your Tamsa shares.

If you hold Tamsa ADSs and elect not to participate in this exchange offer, you must surrender your Tamsa ADSs to the Tamsa depositary and withdraw the underlying deposited Tamsa shares prior to the expiration of this exchange offer. In addition, Tamsa will terminate the deposit agreement relating to Tamsa ADSs effective on September 12, 2003. As a result, following consummation of this exchange offer you will no longer hold or be able to hold Tamsa ADSs, and, instead, you will only hold (and be able to hold) Tamsa shares.

Q: Can I change my mind and decide not to participate in this exchange offer after my securities are tendered?

A: Yes. You may withdraw your tender of securities at any time before 5:00 p.m., New York City time (or 4:00 p.m. Mexico City time) on September 12, 2003, the expiration date of this exchange offer. If this exchange offer is extended, you may also withdraw your tendered securities during the extension period and prior to the new expiration date, which will be publicly announced. However, if we provide a subsequent offering period, we will not allow you, as permitted by applicable law, to withdraw any securities tendered during that subsequent offering period. Please keep in mind that if you withdraw your tendered Tamsa ADSs you must also surrender your Tamsa ADSs to the Tamsa depositary and withdraw the underlying Tamsa shares. Otherwise, in accordance with the Tamsa deposit agreement, the Tamsa depositary will automatically tender your Tamsa ADSs into this exchange offer.

Q: What will be the accounting treatment of this exchange offer?

A: Tenaris prepares its financial statements in accordance with IAS. Under IAS, the purchase method applies to this transaction. See Part Three The Exchange Offer Accounting Treatment.

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Q: What are my tax consequences should I decide to participate in this exchange offer if I am a U.S. shareholder?

A: If you are a U.S. holder who exchanges your Tamsa shares or ADSs for Tenaris shares or ADSs pursuant to the exchange offer you generally will recognize capital gain or loss equal to the difference between (i) the sum of (A) the fair market value (in U.S. dollars) of the Tenaris shares or ADSs you receive in the exchange offer plus (B) any cash received in lieu of a fractional interest in shares or ADSs, and (ii) your tax basis in your Tamsa shares or ADSs. Whether or not the exchange will be taxable for Luxembourg and Mexican tax purposes will depend upon your individual circumstances.

For further information about the material U.S. federal income tax and Luxembourg and Mexican tax consequences of this exchange offer, see Part Three The Exchange Offer Material Tax Considerations, which reflects the opinions received from Sullivan & Cromwell LLP as to certain matters of U.S. federal income tax law and from Luxembourg and Mexican counsel as to certain matters of Luxembourg and Mexican tax law.

Q: Will I receive my 2003 dividends, or dividends with respect to later periods, on my Tamsa securities?

A: You will retain the dividend rights associated with your Tamsa securities after you tender them and, in any case, until we accept them pursuant to this exchange offer. Once we accept them in this exchange offer, we will become the owner of your Tamsa securities and will acquire all rights associated with those securities. If any dividends are declared on the Tamsa securities tendered in this exchange offer before the date on which we acquire ownership, the registered holder of those securities as of the record date specified in connection with such dividend declaration will receive the dividends.

Q: Will I receive dividends on the Tenaris shares I receive in connection with this exchange offer?

A: The new Tenaris shares issued in connection with this exchange offer will have the same dividend and other rights as our other ordinary shares. See Part Three The Exchange Offer Market Price and Dividends Dividends.

Q: If I exchange my Tamsa shares or ADSs for Tenaris ADSs, how will my rights as a shareholder change?

A: Similar to Tamsa, we have one single class of shares granting the same voting and economic rights to all holders of shares or ADSs. Nevertheless, there are differences between the rights of our securityholders and those of Tamsa. The most significant of these differences are explained in Part Six Legal Information Comparison of Shareholder s Rights. You should also read Part Six Legal Information Description of Tenaris s Shares and Description of Tenaris s American Depositary Receipts.

Q: After this exchange offer, will I have the same ownership and voting percentages in the Company as I now have in Tamsa?

A: After completion of this exchange offer, you will hold securities of a larger company than Tamsa. Accordingly, you will have lower ownership and voting percentages in the Company than you now have in Tamsa.

Q: Are there any conditions to the Company s obligation to complete this exchange offer?

A: Yes. We will not be required to consummate this exchange offer if any legal restraints or prohibitions are imposed on this exchange offer, if government approvals that may be required subsequent to the date of this prospectus are not received, or if a material adverse change occurs in the businesses of Tenaris or Tamsa. We reserve the right to modify or waive any of these conditions in our discretion, subject to applicable law. For additional information on these conditions, see Part Three The Exchange Offer.

Q: Can the Company extend or terminate this exchange offer or change its terms?

A: Although we reserve the right, at any time or from time to time, to extend or terminate this exchange offer, we do not intend to terminate this exchange offer unless, in our reasonable judgment, the conditions for completion of this exchange offer set forth in this prospectus are not met. We also reserve the right, at any time and from time to time, to amend this exchange offer in any respect in accordance with applicable law.

We may elect, although we have not yet made a final decision in this respect, to provide a subsequent offering period. As permitted by applicable law, we will promptly accept all securities tendered during that period, we will not provide withdrawal rights and we will provide the same consideration being offered during the initial offering period.

Q: When will I know the outcome of this exchange offer?

A: We will issue a press release announcing the results of this exchange offer promptly after the expiration date of this exchange offer. We will file that press release with the SEC in accordance with applicable law.

Q: How will fractional shares be handled in this exchange offer?

A: We will not issue fractional Tenaris ADSs to holders of Tamsa shares and ADSs in connection with this exchange offer. Instead, fractional Tenaris ADSs will be aggregated and the resulting Tenaris ADSs will be sold in the open market with the net proceeds of such sale paid to the holders of Tamsa shares and ADSs in an amount equal to the holder s proportionate interest in the aggregated fractional entitlement. You will receive the cash amount to which you are entitled as soon as practicable after settlement of this exchange offer.

Q: When will I receive my Tenaris ADSs?

A: Unless we determine not to consummate this exchange offer, we intend to deliver Tenaris ADSs to be issued in exchange for properly tendered Tamsa shares and ADSs promptly, in accordance with market practice, after the expiration date of the exchange offer.

Q: Will I have to pay brokerage commissions?

A: Neither we nor the exchange agents will charge any commission to holders of Tamsa securities in connection with their participation in this exchange offer. If your Tamsa shares or ADSs are held through your bank, broker or other financial intermediary, you should consult with them as to whether or not they will charge any transaction fee or service charges.

Q: Is the Company planning to take any other action to eliminate any remaining minority interests in Tamsa?

A: Yes. Because upon consummation of a previous exchange offer in December 2002 we acquired control of more than 88% of Tamsa s outstanding capital stock but at present we do not hold, directly or indirectly, all of Tamsa s outstanding capital stock, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of the Tamsa shares from the Mexican Stock Exchange and, in connection with that delisting, to establish a fiduciary account (*fideicomiso*) in Mexico with a term of at least six months and allocate to that fiduciary account the number of Tenaris shares necessary to acquire any remaining shares of Tamsa held in Mexico for the same consideration offered in the previous exchange offer (which is the same as the consideration being offered in this exchange offer). U.S. persons or persons acting on behalf of U.S. persons may not acquire Tenaris shares through this fiduciary account, as the Tenaris shares offered through this fiduciary account will not be registered under the Securities Act, and such Tenaris shares may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

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We intend to establish this fiduciary account on August 11, 2003, concurrently with the commencement of this exchange offer, or as soon as practicable thereafter. Mexican law does not provide for an automatic acquisition of any remaining Tamsa shares at the expiration of the fiduciary account and also does not allow us to proceed with such an acquisition unilaterally. If any Tamsa shares should remain outstanding after expiration of the fiduciary account, we are not required but may decide to purchase them, in accordance with applicable law, from any remaining holders through open market purchases, privately negotiated transactions or otherwise. If we elect to purchase any remaining Tamsa shares, the amount and form of any future consideration that we may offer or pay might be, to the extent permitted to or required under applicable law, different than the consideration offered in this exchange offer.

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PART ONE
SUMMARY

To understand this exchange offer and the businesses of Tenaris and Tamsa more fully, you should read carefully this entire prospectus and any documents incorporated by reference into this prospectus, including Cautionary Statement concerning Forward-Looking Statements, Part Two Risk Factors and the consolidated combined financial statements of Tenaris and notes thereto included elsewhere in this prospectus, as well as the consolidated financial statements of Tamsa and notes thereto incorporated by reference into this prospectus.

Tenaris

The Company is a Luxembourg corporation incorporated on December 17, 2001, to hold Tenaris s steel pipe manufacturing and distribution business. The Company s registered office is located at 13, rue Beaumont, L-1219, Luxembourg, and its telephone number is (352) 2647-8978.

Tenaris is a leading global manufacturer and supplier of seamless steel pipe products and associated services to the oil and gas, energy and other industries, with production, distribution and service capabilities in key markets worldwide. Tenaris s principal products include casing, tubing, line pipe, and mechanical and structural pipes.

In the last decade, Tenaris has successfully expanded its business through a series of strategic investments. Tenaris now operates a worldwide network of seamless steel pipe operations with manufacturing facilities in South America, North America, Europe and Asia and an annual production capacity of over three million metric tons, or tons, of seamless steel pipe products, compared to 800,000 tons in the early 1990s. In addition, Tenaris has developed competitive and far reaching global distribution capabilities, with a direct presence in most major oil and gas markets. In 2002, Tenaris had net sales of USD3,219.4 million, operating income of USD471.9 million and net income of USD94.3 million. (Net income before the minority interest attributable to shares in Siderca, Tamsa and Dalmine that were acquired pursuant to our previous exchange offer completed on December 17, 2002, was USD193.8 million).

Tamsa

Tamsa is the sole Mexican producer and a leading global producer of seamless steel pipe products, including casing, tubing, line pipe and various other mechanical and structural seamless pipes for different uses. As of December 31, 2002, Tamsa had an annual production capacity of 780,000 tons of seamless steel pipe products. In 2002, Tamsa had net sales of MXP6,728.3 million, operating income of MXP1,391.2 million and net income of MXP1,136.0 million.

Tamsa s principal executive offices are located at Edificio Parque Reforma, Campos Elíseos 400 Piso 17, Col. Chapultepec Polanco, 11560 México, D.F., México. Tamsa s telephone number is (52) 555-282-9913.

Reasons for the Exchange Offer

After a series of corporate reorganization agreements, described in Part Four Information about Tenaris Related Party Transactions Corporate Reorganization Transactions , as of October 18, 2002, the Company held, directly or indirectly, approximately 71.17% of Siderca s outstanding capital stock, 50.77% of Tamsa s outstanding capital stock and 47.22% of Dalmine s outstanding capital stock. On November 11, 2002, the Company launched an exchange offer for all the outstanding shares and ADSs of Siderca and Tamsa and all the outstanding shares of Dalmine. After consummation of that exchange offer on December 17, 2002, the Company held, directly or indirectly, 99.11% of Siderca s outstanding capital stock, 94.50% of Tamsa s outstanding capital stock and 88.41% of Dalmine s outstanding capital stock. Since that date, we have consummated a unilateral acquisition under Argentine law of the remaining 0.89% of Siderca s outstanding capital stock, reaching a 100% direct and indirect holding in Siderca. On April 30, 2003, Tamsa cancelled 3,650,000 shares of Tamsa held by its subsidiary Tamsider and, as a result, our ownership of Tamsa s total outstanding capital stock was reduced to 94.44%. On June 23, 2003, we launched a tender offer in Italy for the remaining shares of Dalmine. Upon completion of the tender offer on July 11, 2003, we held, directly or indirectly, 96.8% of the shares of Dalmine. We also engaged in various open-market transactions for Dalmine s ordinary stock, in accordance with applicable law, through which we acquired, as of July 31, 2003, a 97.6% direct and indirect holding in Dalmine.

Because we acquired control of more than 88% of Tamsa s outstanding capital stock pursuant to the exchange offer consummated in December 2002, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange and, in connection with the delisting, to establish a fiduciary account in Mexico with a term of at least six months and allocate to that fiduciary account the number of Tenaris shares necessary to acquire any remaining shares of Tamsa held in Mexico for the same consideration offered in the previous exchange offer. Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Following its delisting from the Mexican Stock Exchange, Tamsa will no longer be required to have independent directors and is expected not to have any independent directors in the future. Tamsa will terminate the deposit agreement relating to Tamsa s ADSs effective on September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

Through this exchange offer, we intend to provide the remaining public holders of Tamsa shares and ADSs with an additional opportunity to exchange their shares and ADSs for Tenaris ADSs on similar conditions to those in our previous exchange offer.

Terms of the Exchange Offer

Exchange Ratios

Upon the terms and subject to the conditions set forth in this prospectus and the related letter of transmittal, we are offering to exchange:

- one newly issued Tenaris ADS (representing 10 of Tenaris s ordinary shares, par value USD1.00 per share) for every 9.4520 Tamsa common shares, no par value, tendered by you; *and*

- one newly issued Tenaris ADS for every 1.8904 Tamsa ADSs tendered by you.

If you hold Tamsa shares, you may tender these shares into this exchange offer only if you deposit these shares in exchange for Tamsa ADSs prior to 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 10, 2003. Only the valid tender without subsequent withdrawal of your Tamsa ADSs in accordance with the procedures set forth in Part Three The Exchange Offer Procedures for Tendering Shares and ADSs will entitle you to receive Tenaris ADSs.

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Certain Conditions

Subject to applicable law, we will not be required to consummate this exchange offer if any legal restraints or prohibitions are imposed on this exchange offer, if government approvals that may be required subsequent to the date of this prospectus are not received, or if a material adverse change occurs in the businesses of Tenaris or Tamsa. We reserve the right to modify or waive any of these conditions in our discretion, subject to applicable law. For additional information on these conditions, see Part Three The Exchange Offer.

Expiration Date; Subsequent Offering Period

This exchange offer will expire at 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 12, 2003, unless we choose to extend the offer, as permitted by applicable law and subject to applicable regulatory approvals. If we decide to extend the period of this exchange offer, subject to applicable law, then the expiration date means the latest time and date on which this exchange offer expires.

In addition, we may elect, although we have not yet made a final decision in this respect, to provide a subsequent offering period. As permitted by applicable law, we will promptly accept all securities tendered during that period, we will not provide withdrawal rights and we will provide the same consideration being tendered during the initial offering period.

Shareholders Rights

We have only one class of shares. Subject to applicable law, all Tenaris shares (including Tenaris shares underlying Tenaris ADSs) are entitled to participate equally in dividends when, as and if declared by the annual ordinary shareholders meeting out of funds legally available for such purposes, and each Tenaris share (including Tenaris shares underlying Tenaris ADSs) entitles the holder to one vote at the Company s shareholders meetings.

For a discussion of material differences between the rights of holders of Tenaris shares (including Tenaris shares underlying Tenaris ADSs) and Tamsa shares (including Tamsa shares underlying Tamsa ADSs), see Part Six Legal Information Comparison of Shareholder s Rights.

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Summary Selected Historical Consolidated Combined

Financial Data of Tenaris

The following summary selected historical consolidated combined financial and other data for Tenaris should be read in conjunction with Part Four Information about Tenaris Business and Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated combined financial statements and the notes thereto included elsewhere in this prospectus, and are qualified in their entirety by reference to the information therein.

The summary selected consolidated combined financial data of Tenaris have been derived from its consolidated combined financial statements, which are prepared in accordance with IAS (unless otherwise indicated) for each of the periods and at the dates indicated. The consolidated combined financial statements as of December 31, 2002 and 2001, and for the years ended December 31, 2002, 2001 and 2000, included in this prospectus, have been audited by PricewaterhouseCoopers S.à.r.l., independent accountants in Luxembourg and member firm of PricewaterhouseCoopers. IAS differ in certain significant respects from U.S. GAAP. See notes U and 31 to Tenaris s audited consolidated combined financial statements included in this prospectus, which provide a description of the principal differences between IAS and U.S. GAAP as they relate to Tenaris s consolidated combined financial statements and a reconciliation to U.S. GAAP of net income (loss) and shareholders equity for the periods and at the dates indicated therein. The consolidated combined financial statements of Tenaris at December 31, 2002 and for the year ended December 31, 2002 included in this prospectus consolidate at December 31, 2002, and for the period that began on October 18, 2002 and ended December 31, 2002, the consolidated financial statements of each of Siderca, Tamsa, Dalmine, Invertub and Tenaris Global Services, as well as the consolidated financial statements of five smaller companies (Metalcentro S.A., Tenaris Connections A.G., Lomond Holdings B.V., Information Systems and Technologies B.V. and Siderestiba S.A.) and combine, for the period that began on January 1, 2002 and ended October 17, 2002, the consolidated financial statements of all these companies on the basis that such companies were under the common control of San Faustín for such period. October 18, 2002 is the date on which these companies, which include the Tenaris companies and Tenaris Global Services, were reorganized as subsidiaries of the Company. The effect of this presentation is to show the combined historical results, financial condition and other data of the various steel pipe manufacturing and distributing companies under the common control of San Faustín as though these companies had been our subsidiaries at the dates and during the periods presented. For comparative purposes, the audited consolidated combined financial statements of Tenaris for the years ended December 31, 2001 and 2000, combine, at each of the dates and for each of the periods presented therein, the consolidated financial statements of all these companies on the basis that such companies were under the common control of San Faustín at each such date and for each such period. See notes A and B to Tenaris s audited consolidated combined financial statements included in this prospectus. For a discussion of the currencies used in this prospectus, exchange rates and accounting principles affecting the financial information contained in this prospectus, see Part Seven Additional Information for Shareholders Exchange Rates and Presentation of Certain Financial and Other Information.

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Thousands of U.S. dollars (except number of shares and per share amounts)	For the year ended December 31,				
	2002	2001	2000	1999	1998
Summary selected consolidated combined income statement data					
IAS					
Net sales	3,219,384	3,174,299	2,361,319	1,835,211	2,839,382
Cost of sales	(2,168,594)	(2,165,568)	(1,692,412)	(1,481,552)	(2,095,260)
Gross profit	1,050,790	1,008,731	668,907	353,659	744,122
Selling, general and administrative expenses	(568,149)	(502,747)	(433,617)	(306,471)	(348,712)
Other operating income (expenses), net	(10,764)	(64,352)	5,877	(55,084)	123,889
Operating profit (loss)	471,877	441,632	241,167	(7,896)	519,299
Financial income (expenses), net	(20,597)	(25,595)	(47,923)	(37,118)	(68,182)
Income (loss) before income tax, effect of currency translation on tax bases, equity in earnings (losses) of associated companies and minority interest	451,280	416,037	193,244	(45,014)	451,117
Equity in earnings (losses) of associated companies	(6,802)	(41,296)	(3,827)	(39,296)	(17,436)
Income (loss) before income tax, effect of currency translation on tax bases and minority interest	444,478	374,741	189,417	(84,310)	433,681
Income tax	(182,505)	(108,956)	(63,299)	(6,065)	(65,663)
Effect of currency translation on tax bases	(25,266)	(109,882)	(2,011)	(2,961)	(3,198)
Net income (loss) before minority interest	236,707	155,903	124,107	(93,336)	364,820
Minority interest	(142,403)	(74,557)	(47,401)	38,521	(211,245)
Net income (loss)	94,304	81,346	76,706	(54,815)	153,575
Depreciation and amortization	(176,315)	(161,710)	(156,643)	(165,847)	(167,348)
Weighted average number of shares outstanding[1]	732,936,680	710,747,187	710,747,187	710,747,187	710,747,187
Combined earnings (loss) per share[2]	0.13	0.11	0.11	(0.08)	0.22
Dividends per share[3]	0.06	0.15	0.16	0.13	0.05
U.S. GAAP					
Net sales[4]	3,219,384	2,313,162	1,166,293		
Operating income (loss)[4]	476,107	422,014	102,740		
Income before cumulative effect of accounting changes	110,049	163,921	77,333		
Cumulative effect of accounting changes	(17,417)	(1,007)	-		
Net income (loss)	92,632	162,914	77,333		
Weighted average number of shares outstanding[1]	732,936,680	710,747,187	710,747,187		
Combined earnings (loss) per share before effect of accounting changes[2]	0.15	0.23	0.11		
Cumulative effect of accounting changes per share[2]	(0.02)	(0.00)	-		
Combined earnings (loss) per share[2]	0.13	0.23	0.11		

(1) Prior to October 18, 2002, the Company had 30,107 shares issued and outstanding. On October 18, 2002, Sidertubes S.A., a wholly-owned subsidiary of San Faustín, contributed all of its assets (including 30,010 shares of Tenaris) and liabilities to the Company, in exchange for 710,747,090 shares of Tenaris. The 30,010 shares contributed by Sidertubes to the Company were cancelled and, accordingly, upon consummation of this contribution the Company had a total of 710,747,187 shares issued and outstanding. For a detailed description of Sidertubes contribution to the Company, see Part Four Information about Tenaris Related Party Transactions Corporation Reorganization Transactions. On December 17, 2002, Tenaris consummated an offer to exchange its shares and ADSs for shares and ADS of Siderca and Tamsa and shares of Dalmine. Upon consummation of the exchange offer, the Company had a total of 1,160,700,794 shares issued and outstanding.

(2) Tenaris s combined earnings (loss) per share before effect of accounting changes, cumulative effect of accounting changes per share and combined earnings per share for the periods presented have been calculated based on the assumption that 710,747,187 shares were issued and outstanding in each of the periods presented prior to October 18, 2002.
(3) Tenaris s dividends per share for the periods presented have been calculated based on the assumption that 710,747,187 shares were issued and outstanding in each of the periods presented.
(4) For U.S. GAAP purposes, Dalmine s results were not consolidated for the years ended December 31, 2001 and 2000, and Tamsa s results were not consolidated for the year ended December 31, 2000.

Thousands of U.S. dollars (except number of shares and per share amounts)	At December 31,				
	2002	2001	2000	1999	1998
Summary selected consolidated combined balance sheet data					
IAS					
Current assets	1,810,581	1,619,136	1,419,747	1,270,109	1,650,643
Property, plant and equipment, net	1,934,237	1,971,318	1,941,814	1,909,924	1,955,426
Other non-current assets	272,628	247,500	282,976	246,317	395,800
Total assets	4,017,446	3,837,954	3,644,537	3,426,350	4,001,869
Current liabilities	1,203,278	1,084,913	951,444	792,716	883,728
Non-current borrowings	322,205	393,051	355,628	212,012	449,169
Deferred tax liabilities	320,753	262,963	292,849	290,727	354,611
Other non-current liabilities	290,373	302,645	199,548	196,964	176,532
Total liabilities	2,136,609	2,043,572	1,799,469	1,492,419	1,864,040
Minority interest	186,783	918,981	919,710	979,067	1,023,165
Shareholders equity[1]	1,694,054	875,401	925,358	954,864	1,114,664
Total liabilities and shareholders equity	4,017,446	3,837,954	3,644,537	3,426,350	4,001,869
Number of shares outstanding[2]	1,160,700,794	710,747,187	710,747,187	710,747,187	710,747,187
Shareholders equity per share[3]	1.46	1.23	1.30	1.34	1.57
U.S. GAAP					
Total assets	3,988,765	3,075,455	1,905,732		
Net assets	1,935,698	1,781,814	1,341,854		
Total shareholders equity	1,745,883	941,926	908,872		
Number of shares outstanding[2]	1,160,700,794	710,747,187	710,747,187		
Combined shareholders equity per share[3]	1.50	1.33	1.28		

(1) The Company s common stock as of December 31, 2002, was represented by 1,160,700,794 shares, par value USD1.00 per share, for a total amount of USD1,160.7 million.

(2) Prior to October 18, 2002, the Company had 30,107 shares issued and outstanding. On October 18, 2002, Sidertubes contributed all of its assets (including 30,010 shares of Tenaris) and liabilities to the Company, in exchange for 710,747,090 shares of Tenaris. The 30,010 shares contributed by Sidertubes to the Company were cancelled and, accordingly, upon consummation of this contribution the Company had a total of 710,747,187 shares issued and outstanding. For a detailed description of Sidertubes contribution to the Company, see Part Four Information about Tenaris Related Party Transactions Corporation Reorganization Transactions. On December 17, 2002, Tenaris consummated an offer to exchange its shares and ADSs for shares and ADS of Siderca and Tamsa and shares of Dalmine. Upon consummation of the exchange offer, the Company had a total of 1,160,700,794 shares issued and outstanding.

(3) Tenaris s combined shareholders equity per share at the dates presented has been calculated based on the assumption that 710,747,187 shares were issued and outstanding at each of the dates presented prior to October 18, 2002.

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Summary Selected Consolidated Financial Data of Tamsa

The following summary selected historical consolidated financial and other data for Tamsa should be read in conjunction with the information about Tamsa and the audited and unaudited consolidated financial statements and the notes thereto incorporated by reference into this prospectus, and are qualified in their entirety by reference to the information therein.

The summary selected consolidated financial data of Tamsa have been derived from its consolidated financial statements, which are prepared in accordance with Mexican GAAP (unless otherwise indicated) for each of the periods and at the dates indicated. Tamsa s consolidated financial statements as of December 31, 2002, 2001 and 2000, and for the years ended December 31, 2002, 2001 and 2000, incorporated by reference into this prospectus, have been audited by PricewaterhouseCoopers, independent accountants in Mexico. Tamsa s consolidated financial statements are prepared in accordance with Mexican GAAP, which differ in significant respects from U.S. GAAP. See note 12 to Tamsa s audited consolidated statements incorporated by reference into this prospectus, which provides a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to Tamsa s financial statements and a reconciliation to U.S. GAAP of net income (loss) and shareholders equity for the periods and at the dates indicated therein. The summary audited historical consolidated financial data of Tamsa are stated in constant Mexican pesos as of December 31, 2002. For a discussion of the currencies used in this prospectus, exchange rates and accounting principles affecting the financial information contained in this prospectus, see Part Seven Additional Information for Shareholders Exchange Rates and Presentation of Certain Financial and Other Information.

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Thousands of constant December 31, 2002 Mexican pesos, except share and per share amounts	For the year ended December 31,				
	2002	2001	2000	1999	1998
Summary selected consolidated income statement data					
Mexican GAAP					
Net sales	6,728,275	6,899,027	6,463,007	5,103,316	8,269,197
Cost of products sold	(4,145,970)	(4,067,468)	(4,231,637)	3,600,875	4,844,813
Selling, general and administrative expenses	(1,191,082)	(1,288,774)	(1,175,100)	942,006	1,018,605
Operating profit	1,391,223	1,542,785	1,056,270	560,435	2,405,768
Comprehensive financing result	(165,924)	(42,106)	(88,544)	(146,049)	(489,759)
Income tax, asset tax and employees statutory profit sharing	(60,114)	(592,710)	(483,743)	407,282	826,675
Equity in loss of associated companies[1]	(16,047)	(290,930)	(52,608)	(379,135)	(233,420)
Net income (loss)	1,136,023	578,638	421,496	(92,871)	1,957,987
Weighted average number of shares outstanding[2]	339,284,120	339,284,120	339,284,120	339,409,820	345,467,065
Earnings (loss) per share[3]	3.35	1.71	1.24	(0.27)	5.67
U.S. GAAP					
Net sales	6,860,137	6,905,335	6,173,953	5,103,316	8,269,197
Operating income (loss)	1,534,310	1,496,643	924,017	515,353	2,357,172
Net income (loss)	1,381,633	734,766	500,536	(34,395)	2,542,071
Earnings (loss) per share	4.07	2.17	1.48	(0.10)	7.36

(1) Mainly corresponding to Tamsa s equity participation in the Consorcio Siderurgia Amazonia Ltd, or Amazonia. See note 11 to Tamsa s audited consolidated financial statements incorporated by reference into this prospectus.

(2) Amounts for 2002, 2001, 2000, 1999 and 1998 exclude 3,650,000 shares which were held in treasury in 2002 and held in 2001, 2000, 1999 and 1998 by a wholly-owned subsidiary of Tamsa. Tamsa purchased 10,100,000 shares which were canceled on April 28, 1999. On July 10, 2001, each outstanding share of Tamsa s common stock was split into five shares; concurrently, the American Depositary Receipt, or ADR, ratio was modified from one ADR for each share of common stock to one ADR for five shares of common stock. For comparative purposes, the number of shares shown for prior years has been adjusted to reflect the split retroactively. See note 5 to Tamsa s audited consolidated financial statements.

(3) Basic earnings (loss) per share and diluted earnings (loss) per share are identical.

Thousands of constant December 31, 2002 Mexican pesos, except share and per share amounts	At December 31,				
	2002	2002	2001	2000	1999
Summary selected consolidated balance sheet data					
Mexican GAAP					
Current assets	5,509,924	3,954,359	4,010,881	3,979,045	5,384,512
Investments in associated companies	517,697	614,351	1,035,358	830,872	1,371,577
Property, plant and equipment, net	8,280,347	7,928,131	7,757,946	8,317,591	9,568,059
Other assets	12,144	81,442	-	-	-
Total assets	14,320,112	12,578,283	12,804,185	13,127,508	16,324,148
Current liabilities	2,342,415	1,241,894	1,487,634	2,268,066	2,653,414
Long-term debt	683,203	1,361,585	1,056,344	-	666,158
Other liabilities[1]	2,343,110	2,346,158	2,473,436	166,243	181,696
Total liabilities	5,368,728	4,949,637	5,017,414	2,434,309	3,501,268
Equity of majority shareholders	8,963,714	7,598,793	7,755,729	10,662,204	12,753,670
Minority interest in consolidated subsidiaries	(12,330)	29,853	31,042	30,996	69,210
Total shareholders equity	8,951,384	7,628,646	7,786,771	10,693,199	12,822,880
Weighted average number of shares outstanding[2]	339,284,120	339,284,120	339,284,120	339,409,820	345,467,065
Total shareholders equity per share	26.38	22.48	22.95	31.51	37.12
U.S. GAAP					
Total assets					
Net assets	16,883,708	15,562,756	15,390,273	15,144,612	17,055,917
Total shareholders equity	9,832,402	8,692,748	8,561,711	8,651,888	9,466,347
Total shareholders equity per share	9,844,732	8,662,896	8,530,671	8,620,892	9,397,137
	29.02	25.53	25.14	25.40	27.20

(1) Includes a deferred tax liability of MXP2,171,121 in 2002, MXP2,154,157 in 2001 and MXP2,306,472 in 2000 resulting from the adoption of Statement D-4 (deferred income tax) under Mexican GAAP effective January 1, 2000.
(2) Amounts for 2002, 2001, 2000, 1999 and 1998 exclude 3,650,000 shares which were held in treasury in 2002 and held in 2001, 2000, 1999 and 1998 by a wholly-owned subsidiary of Tamsa. Tamsa purchased 10,100,000 shares which were canceled on April 28, 1999. On July 10, 2001, each outstanding share of Tamsa s common stock was split into five shares; concurrently, the ADR ratio was modified from one ADR for each share of common stock to one ADR for five shares of common stock. For comparative purposes, the number of shares shown for prior years has been adjusted to reflect the split retroactively. See note 5 to Tamsa s audited consolidated financial statements.

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Recent Market Prices

The following table presents the closing market prices per security for Tenaris and Tamsa shares and ADSs in nominal Mexican pesos or U.S. dollars, as the case may be:

as reported on the NYSE for Tenaris ADSs; *and*

as reported on the AMEX for Tamsa ADSs.

In each case the prices given are, first, as of March 28, 2003, which was the last full trading day prior to the public announcement of this proposed exchange offer and, second, as of August 6, 2003, the most recent practicable trading day prior to the date of this prospectus. See Part Three The Exchange Offer Market Price and Dividends for further information about historical market prices and average daily trading volumes.

The following table also presents the closing market prices per security for Tenaris shares and ADSs in nominal Mexican pesos or U.S. dollars, as the case may be, on a per Tamsa equivalent share basis. These prices were calculated by dividing the closing market prices for Tenaris ADS included in the table by the exchange ratio of Tenaris ADSs for Tamsa ADSs.

	Tenaris	**Tamsa**	**Tenaris (per Tamsa equivalent ADS basis)**
	ADSs (10 shares)	**ADSs (5 shares)**	**ADSs**
	USD	**USD**	**USD**
March 28, 2003	21.97	11.18	11.62
August 6, 2003	25.25	13.20	13.36

Although Tamsa s shares continue to be listed on the Mexican Stock Exchange, following the announcement of the results of our previous exchange offer, there have been no transactions with respect to Tamsa s shares on the Mexican Stock Exchange. Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003.

We urge you to obtain current market information regarding Tenaris and Tamsa shares and ADSs.

No assurance can be given that the market prices for these securities will not be different in the future, including on the expiration date of this exchange offer.

Summary Selected Comparative Per Share Data

Set forth below are net income, cash dividends and book value data for:

Tenaris shares and ADSs on a historical basis

Tamsa shares and ADSs on an historical basis;

Tenaris shares and ADSs on a pro forma basis;

Tenaris per Tamsa equivalent share, on a pro forma basis; *and*

Tenaris per Tamsa equivalent ADS, on a pro forma basis.

The Tenaris pro forma data in each column shown assumes that, at January 1, 2002, or December 31, 2002, as the case may be, Tenaris held 100% of Tamsa s outstanding capital stock (having thus acquired 5.5% of Tamsa s outstanding capital stock pursuant to this exchange offer).

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The Tenaris per Tamsa equivalent share and ADS information shows the effect of this exchange offer from the perspective of an owner of Tamsa shares or ADSs. The information was computed by multiplying the Tenaris per share and the Tenaris per ADS data by the exchange ratio of Tenaris shares for Tamsa shares and Tenaris ADSs for Tamsa ADSs.

You should read the information below together with the audited consolidated combined financial statements and related notes contained in or incorporated by reference into this prospectus. The unaudited pro forma data below is presented for illustrative purposes only. You should not rely on this information as being indicative of the historical results that would have been achieved had we completed this exchange offer on January 1, 2002.

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Historical Per Share Data:	Year ended December 31, 2002
U.S. dollars	
Tenaris consolidated combined per share data	
IAS	
Net income[1]	0.13
Cash dividends[2]	0.06
Book value[3]	1.46
U.S. GAAP	
Net income[1]	0.13
Cash dividends[2]	0.06
Book value[3]	1.50
U.S. dollars	
Tenaris consolidated combined per ADS data	
IAS	
Net income[1]	1.29
Cash dividends[2]	0.55
Book value[3]	14.60
U.S. GAAP	
Net income[1]	1.27
Cash dividends[2]	0.55
Book value[3]	15.04
Constant December 31, 2002 Mexican pesos	
Tamsa per share data	
Mexican GAAP	
Net income	3.35
Cash dividends	0.83
Book value	26.42
U.S. GAAP	
Net income	4.07
Cash dividends	0.83
Book value	29.02
U.S. dollars	
Tamsa per ADS data	
Mexican GAAP	
Net income	1.62
Cash dividends	0.40
Book value	12.81
U.S. GAAP	
Net income	1.97
Cash dividends	0.40
Book value	14.07

(1) Net income divided by the weighted average number of ordinary shares issued during 2002 calculated based on the assumption that 710,747,187 shares were issued and outstanding as of January 1, 2002.

(2) Cash dividends divided by the number of ordinary shares outstanding at the date of approval.

(3) Shareholders equity divided by 1,160,700,794 shares (116,070,079 ADSs).

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Pro forma Per Share Data:	Year ended December 31, 2002[1]
U.S. dollars	
Tenaris per share data	
IAS	
Net income	0.13
Cash dividends	0.05
Book value	1.47
U.S. GAAP	
Net income	0.13
Cash dividends	0.05
Book value	1.52
Tenaris per ADS data	
IAS	
Net income	1.35
Cash dividends	0.54
Book value	14.75
U.S. GAAP	
Net income	1.33
Cash dividends	0.54
Book value	15.18
Tenaris per Tamsa equivalent share data	
IAS	
Net income	0.14
Cash dividends	0.06
Book value	1.56
U.S. GAAP	
Net income	0.14
Cash dividends	0.06
Book value	1.61
Tenaris per Tamsa equivalent ADS data	
IAS	
Net income	0.71
Cash dividends	0.28
Book value	7.80
U.S. GAAP	
Net income	0.70
Cash dividends	0.28
Book value	8.03

(1) Pro forma effect of this exchange offer, assuming that all the outstanding securities of Tamsa not held by us or our affiliates are validly tendered and not withdrawn.

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PART TWO
RISK FACTORS

You should carefully consider the following risks and the risk factors incorporated by reference into this prospectus, together with the other information contained in or incorporated by reference into this prospectus, before making any decision concerning the terms of this exchange offer or whether to accept it. Any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn affect the price of our ordinary shares and ADSs.

Risks Relating to this Exchange Offer

If you do not to exchange your Tamsa shares or ADSs, you will likely no longer have an active trading market for your Tamsa shares or ADSs.

Holders of Tamsa shares and ADSs who do not exchange their Tamsa shares or ADSs pursuant to this exchange offer will only be able to hold Tamsa shares after completion of this exchange offer. However, the potentially small number of Tamsa shares held by minority holders after the consummation of this exchange offer may adversely affect the liquidity and market value of these shares. Any remaining holders of Tamsa shares may be unable to sell their securities at prices comparable to current price levels.

In addition, because we acquired more than 88% of Tamsa s outstanding capital stock in a previous public exchange offer, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange. Therefore, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Following its delisting from the Mexican Stock Exchange, Tamsa will no longer be required to have independent directors and is expected not to have any independent directors in the future. Tamsa will terminate the Tamsa deposit agreement effective September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

If you hold Tamsa ADSs and do not take any action in connection with this exchange offer, you may no longer have an interest in Tamsa or Tenaris.

If, on the last day of this exchange offer period, you have not tendered your Tamsa ADSs or surrendered your Tamsa ADSs and withdrawn the underlying Tamsa shares, you will be deemed to have instructed the Tamsa depositary to tender your Tamsa ADSs in exchange for Tenaris ADSs. As a result, you will no longer have an interest in Tamsa and you will no longer be entitled to receive Tamsa shares upon surrender of your Tamsa ADSs. You will instead be entitled to receive one newly issued Tenaris ADS for every 1.8904 Tamsa ADSs you hold, plus cash in lieu of the fractional value of your entitlement. However, in order to receive Tenaris ADSs in exchange for Tamsa ADSs tendered by the Tamsa depositary on your behalf, you must surrender your Tamsa ADS certificates to the Tamsa depositary by March 12, 2004. Otherwise, the Tamsa depositary may sell the Tenaris ADSs held by it. In connection with any such sale, upon surrender of your Tamsa ADS certificates, you will be entitled to receive the proceeds of the sale, less fees, taxes and expenses. For more information, see Part Three The Exchange Offer Amendment and Termination of the Tamsa Deposit Agreement.

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Termination of Tamsa s registration with the SEC would substantially reduce the information required to be furnished by Tamsa to holders of Tamsa shares and ADSs and to the SEC.

The Tamsa shares are currently registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. Tamsa may terminate this registration upon application to the SEC if its ADSs are no longer listed on a national securities exchange and there are fewer than 300 record holders of Tamsa ADSs and shares resident in the United States. Tamsa currently intends to terminate the Exchange Act registration of its shares as soon as practicable after consummation of this exchange offer if the requirements for termination of registration are met. The termination of the registration of Tamsa shares would eliminate or at least substantially reduce the information required to be furnished by Tamsa to holders of Tamsa shares and ADSs and to the SEC and may make certain provisions of the United States federal securities laws no longer applicable to Tamsa s ADSs and shares.

The proposed terms of this exchange offer may not result in a fair exchange of Tenaris shares or ADSs for Tamsa shares or ADSs.

We are offering to exchange Tenaris shares and ADSs for Tamsa shares and ADSs using the same exchange ratios we determined for our prior exchange offer for Tamsa shares and ADSs, which closed on December 17, 2002. We have no legal obligation to ensure and we can give you no assurance that our method of determining these exchange ratios will result in a fair exchange of Tenaris shares or ADSs for Tamsa shares or ADSs or that they accurately reflect or will reflect the market value of our securities or the Tamsa securities.

The exchange ratios are fixed and will not be updated to reflect market fluctuations.

We are offering you Tenaris shares and ADSs in exchange for Tamsa shares and ADSs at fixed exchange ratios, and, unless we amend the terms of this exchange offer, we will not revise these ratios upward or downward during this exchange offer based on changes in the market value of any of the securities involved. The market values of the Tamsa shares and ADSs at the time of the completion of this exchange offer may vary significantly from the date of this prospectus.

Your ownership and voting percentages will be lower after this exchange offer.

After completion of this exchange offer, you will hold securities of a larger company than Tamsa. Accordingly, the ownership and voting percentages of current shareholders in Tamsa will be diluted from their current ownership. After completion of this exchange offer, assuming all of the securities of Tamsa held by its public shareholders are exchanged for our securities and based on the exchange ratios and capitalization of Tamsa immediately following this exchange offer, the current public shareholders of Tamsa will own securities representing 1.7% of our outstanding shares.

Risks Relating to the Seamless Steel Pipe Industry

Holders of Tamsa shares and ADSs are currently exposed to risks relating to the seamless steel pipe industry in general. Holders of Tenaris shares and ADSs are exposed to similar risks.

Sales and revenues may fall as a result of downturns in the international price of oil and other circumstances affecting the oil and gas industry.

The oil and gas industry is the largest consumer of seamless steel pipe products worldwide. This industry has historically been volatile, and downturns in the oil and gas markets adversely affect the demand for seamless steel pipe products.

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Demand for these products depends primarily upon the number of oil and natural gas wells being drilled, completed and reworked, and the depth and drilling conditions of these wells. The level of these activities depends primarily on current and expected future prices of oil and natural gas. Several factors, such as the supply and demand for oil and natural gas and general economic conditions, affect these prices. When the price of oil and gas falls, oil and gas companies generally reduce spending on production and exploration activities and, accordingly, make fewer purchases of seamless steel pipe products.

Other circumstances may also affect drilling activity and, as a result, cause pipe consumption to decline. For example, in 2002, although oil prices remained at levels which, under typical circumstances, would have been expected to result in sustained levels of investment in oil and gas drilling, oil and gas exploration and production activity were affected by increased uncertainty over the future level of oil prices as a result of the prospects of military action against Iraq and production cutbacks established by the Organization of Petroleum Exporting Countries, or OPEC. As a result, Tenaris s sales volume of seamless steel pipes for 2002 decreased 15% compared for the previous year.

In the future, sales and revenues may again fall as a result of downturns in the international price of oil and other circumstances affecting the oil and gas industry.

Sales and revenues may fall as a result of fluctuations in industry inventory levels.

Inventory levels of seamless steel pipe in the oil and gas industry can vary significantly from period to period. These fluctuations can affect the demand for our products, as customers draw from existing inventory during periods of low investment in drilling and other activities and accumulate inventory during periods of high investment. Even if the prices of oil and gas rise or remain stable, oil and gas companies may not purchase additional seamless steel pipe products or maintain their current purchasing volume.

Competition in the global market for seamless steel pipe products may cause Tenaris to lose market share in particular markets and hurt its sales and revenues.

The global market for the seamless steel pipe products is highly competitive, with the primary competitive factors being price, quality and service. Tenaris competes against four major exporters of premium-quality steel pipe products worldwide. In addition, a large number of producers manufacture and export generally lower quality steel pipes. Competition from these lower-end producers, particularly those from Russia, China and the Ukraine, have, at times, adversely affected Tenaris because they have offered products at significantly lower prices. In addition, these producers are improving the range and quality of pipes, thereby increasing their ability to compete with Tenaris. Tenaris may not continue to compete effectively against existing or potential producers and preserve its current shares of geographic or product markets. In addition, if import restrictions are imposed upon Tenaris s competitors, they may increase their marketing efforts in other countries where Tenaris sells its products and thus increase the competitive pressure on Tenaris in such markets. Furthermore, because two of Tenaris s four major competitors are Japanese companies, any decline in the value of the Japanese yen relative to the U.S. dollar could make those Japanese companies more competitive.

Our main domestic markets are removing barriers to imported products which will lead to increased competition in these countries and may hurt Tenaris s sales and revenues.

As part of the increasing globalization of major economic markets, some countries are lifting quotas and other restrictions on imports, including imports of seamless steel pipe products, and are forming trade blocs. Argentina is a member of the *Mercado Común del Sur*, or Mercosur, Mexico is party to the North American Free Trade Agreement, or NAFTA, and Italy is a member of the EU. In addition, Argentina, Mexico and Italy are each party to bilateral and multilateral trade agreements (for example, Mexico s trade agreement with the EU) that remove barriers to the import of foreign products. As import barriers have fallen, the domestic markets in Argentina, Mexico and Italy for seamless steel pipe products have become more competitive. Tenaris may not be able to maintain its share of its domestic markets as foreign producers take advantage of recent trade liberalization and the expected elimination of remaining barriers to foreign trade in their respective domestic markets. Furthermore, while trade liberalization may also provide Tenaris with greater access to foreign markets, increases in sales to those foreign markets may not adequately offset any loss in domestic sales arising from increased foreign competition.

As a result of antidumping and countervailing duty proceedings and other import restrictions, Tenaris may not be allowed to sell its products in important geographic markets such as the United States.

Local producers have filed antidumping, countervailing duty actions and safeguard actions against Tenaris and other producers in their home countries in several instances in the past. Some of these actions led to significant penalties, including the imposition of antidumping and countervailing duties, in the United States. Certain seamless steel products manufactured by Tenaris have been and continue to be subject to such duties in the United States. Antidumping or countervailing duty proceedings or any resulting penalties or any other form of import restriction may impede Tenaris s access to one or more important export markets for its products and in the future additional markets could be closed to Tenaris as a result of similar proceedings. The U.S. market is effectively closed to some of Tenaris s principal products, limiting Tenaris s current business and potential growth in that market.

Further consolidation among oil and gas companies may force Tenaris to reduce its prices and hurt its profits.

A large percentage of Tenaris s sales are directed to international oil and gas companies. Recently, oil and gas companies throughout the world have experienced a high level of consolidation which has reduced the number of companies dedicated to providing these services. To the extent this consolidation trend continues, the surviving companies may enjoy significant bargaining power that could affect the prices of Tenaris s products and services.

Fluctuations in the cost of raw materials and energy may hurt Tenaris s profits.

The manufacturing of seamless steel pipe products requires substantial amounts of raw materials and energy from domestic and foreign suppliers. The availability and price of a significant portion of the raw materials and energy required by Tenaris are subject to market conditions and government regulation affecting supply and demand that can affect their continuity and cost of production. Increased costs of production may not be recoverable through increased product prices, and could adversely affect Tenaris s profitability.

Tenaris s inability to reduce some of its costs in response to lower sales volume may hurt its profits.

Like other manufacturers of steel-related products, Tenaris has fixed and semi-fixed costs that cannot adjust rapidly to fluctuations in the demand for its products. We estimate that Tenaris s fixed and semi-fixed costs of sale (excluding depreciation and amortization) have averaged approximately 15% over the last three years. If demand for Tenaris s products falls significantly, these costs may adversely affect Tenaris s profitability.

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Potential environmental, product liability and other claims may create significant liabilities for Tenaris that would hurt its net worth.

Tenaris s oil and gas casing, tubing and line pipe products are sold primarily for use in oil and gas drilling and transportation activities, which are subject to inherent risks, including well failures, line pipe leaks and fires, that could result in death, personal injury, property damage, environmental pollution or loss of production. Any of these hazards and risks can result in the loss of hydrocarbons, environmental liabilities, personal injury claims and property damage. Correspondingly, defects in specialty tubing products could result in death, personal injury, property damage, environmental pollution or damage to equipment and facilities. Tenaris warrants the oilfield products and specialty tubing products it sells or distributes in accordance with customer specifications. Actual or claimed defects in its products may give rise to claims against Tenaris for losses and expose it to claims for damages. The insurance maintained by Tenaris may not be adequate or available to protect it in the event of a claim or its coverage may be canceled or otherwise terminated.

Risks Relating to Tenaris s Business

Adverse economic or political conditions in the countries where Tenaris operates or sells its products may decrease its sales and revenues.

Tenaris is exposed to adverse economic and political conditions in the countries where it operates or sells its products. The economies of these countries are in different stages of socioeconomic development. Like other companies with significant international operations, Tenaris is exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments in the countries in which it operates. Risks associated with foreign political, economic or social developments also may adversely affect Tenaris s sales volume or revenues from exports and, as a result, its financial condition and results of operations. For example, in Argentina, due to the current social and political crisis, Tenaris confronts high fiscal pressure, changes in laws and policies affecting foreign trade and investment, exchange controls, expropriation and forced modification of existing contracts and loss of competitiveness due to mismatch between inflation and exchange rate movements. For additional information on risks relating to Tenaris s operations in Argentina, see Risks Relating to Argentina and Mexico Negative economic, political and regulatory developments in Argentina may hurt Siderca s financial condition, revenues and sales volume and disrupt its manufacturing operations, thereby adversely affecting Tenaris s results of operations and financial condition. Similarly, continuing adverse political and economic developments in Venezuela have already had an adverse impact on Tenaris s sales in that country. Furthermore, because we will operate or sell our products in a greater number of countries than Tamsa, holders of Tamsa shares and ADSs who participate in this exchange offer will be exposed to more country-specific risks than they were previously exposed to.

If we do not successfully implement our business strategy, Tenaris s ability to grow and competitive position may suffer.

We plan to continue implementing Tenaris s business strategy of completing the integration of its subsidiaries, developing value-added services and pursuing strategic acquisition opportunities. As part of this business strategy, Tenaris established business units to coordinate its commercial activities and made acquisitions in various jurisdictions, including Japan and Canada. Any of these components of Tenaris s overall business strategy may not be successfully implemented. Even if we successfully implement Tenaris s business strategy, it may not yield the desired goals. We may fail to find suitable acquisition targets or to consummate those acquisitions under favorable conditions, or we may be unable to successfully integrate any acquired businesses into our operations.

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In addition, as we are unable to assure you that all holders of Tamsa securities will tender their securities, continued minority interests in Tamsa may remain after completion of this exchange offer and may prevent us from completing the integration of Tamsa as part of our business strategy. Under Mexican law, we are required to establish a fiduciary account and allocate to such fiduciary account sufficient Tenaris shares necessary to acquire any remaining shares of Tamsa in Mexico. Mexican law does not, however, provide for an automatic acquisition of the remaining Tamsa shares at the expiration of the fiduciary account and also does not allow us to proceed with such an acquisition unilaterally. As a result, continued minority interests in Tamsa may remain after completion of this exchange offer and may prevent us from taking actions that, while beneficial to Tenaris, might not be beneficial at the level of its subsidiary Tamsa.

Recent and future acquisitions and strategic partnerships may disrupt Tenaris s operations and hurt its profits.

In the past five years, Tenaris has acquired interests in various companies and engaged in strategic partnerships. Tenaris has invested in NKKTUBES K.K., or NKKTubes, Algoma Tubes Inc., or AlgomaTubes, Confab Industrial, S.A., or Confab, and Tubos de Acero de Venezuela S.A., or Tavsa. Tenaris may not be successful in its plans regarding the operation of these companies and strategic partnerships or they could be affected by developments affecting Tenaris s partners. For example, on September 27, 2002, Tenaris s partner in NKKTubes consummated a business combination with one of Tenaris s principal competitors through which they became subsidiaries of a newly-formed holding company, and the new company continues to operate that competitor s seamless steel pipe business in competition with NKKTubes. See Part Four Information about Tenaris Business Competition Global Market Japan. We will continue to actively consider other strategic acquisitions and partnerships from time to time. We must necessarily base any assessment of potential acquisitions and partnerships on assumptions with respect to operations, profitability and other matters that may subsequently prove to be incorrect. Our acquisition and partnership activities may not perform in accordance with our expectations and could adversely affect Tenaris s operations and profitability.

Our ability to pay cash dividends depends on the results of operations and financial condition of our subsidiaries and may be restricted by legal, contractual or other limitations.

We conduct all of our operations through subsidiaries. Dividends or other intercompany transfers of funds from our subsidiaries are our primary source of funds to pay our expenses and dividends. While we do not anticipate conducting operations at the holding company level, any expenses that we incur, in excess of minimal levels, that cannot be otherwise financed will reduce amounts available to be distributed to our shareholders. This may result in our being unable to pay dividends on our shares or ADSs. The ability of our subsidiaries to pay dividends and make other payments to us will depend on their results of operations and financial condition and may be restricted by, among other things, applicable corporate and other laws and regulations (including those imposing exchange controls or transfer restrictions) and agreements and commitments of such subsidiaries. In addition, our ability to pay dividends is subject to legal and other requirements and restrictions at the holding company level. For example, we may only pay dividends out of retained earnings as defined under Luxembourg law and regulations. See Part Three The Exchange Offer Market Price and Dividends and Part Four Information about Tenaris Related Party Transactions Corporate Reorganization Transactions.

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Tenaris s results of operations and financial condition may be adversely affected by movements in exchange rates.

Tenaris has primarily U.S. dollar-denominated revenues and a significant portion of its costs are denominated in local currency. As a result, movements in the exchange rate of the U.S. dollar against the respective local currencies can have a significant impact on Tenaris s revenue, results and financial condition. A rise in the value of the local currencies relative to the U.S. dollar will increase Tenaris s relative production costs, thereby reducing Tenaris s operating margins.

Tenaris s related party transactions with members of the Techint group may not always be on terms as favorable as those that could be obtained from unaffiliated third parties.

Some of Tenaris s sales and purchases are made to and from other Techint group companies. These sales and purchases are primarily made in the ordinary course of business and we believe that they are made on terms no less favorable than those Tenaris could obtain from unaffiliated third parties. Tenaris will continue to engage in related party transactions in the future and intends that these transactions be on terms as favorable as those that could be obtained from unaffiliated third parties, but no assurance can be given in this respect.

Tenaris s sales of welded steel pipe products are volatile and dependent on specific projects.

Tenaris s sales of welded products depend substantially on securing contracts to supply major pipeline projects and fluctuate significantly from year to year based on the number of active pipeline projects under contract and their rate of progress. For example, in 2000, demand for Tenaris s welded products was substantially below levels of previous years due to the postponement of several regional gas pipeline projects. In 2001 and 2002, sales of welded steel pipes were strong, reflecting a period of high demand for such products in connection with the construction of large pipeline projects in South America, such as those in Ecuador and Peru, as well as ongoing pipeline network integration projects in the region. Deliveries of welded steel pipes to those projects in Ecuador and Peru have now been substantially completed. Tenaris s welded pipe revenues may fluctuate significantly in future years depending on its success at winning large supply contracts or if specific projects are postponed or delayed due to adverse economic, political or other factors.

The cost of complying with environmental regulations and paying unforeseen environmental liabilities may increase Tenaris s operating costs or hurt its net worth.

Tenaris is subject to a wide range of local, provincial and national laws, regulations, permits and decrees in their respective jurisdictions relating to the protection of human health and the environment. In Argentina, Italy, Mexico, Venezuela, Brazil, Canada and Japan, Tenaris will continue to incur expenditures to comply with those regulations. The expenditures necessary for Tenaris to remain in compliance with environmental laws and regulations, including site or other remediation costs, or unforeseen environmental liabilities, could have a material adverse effect on its financial condition and results of operations.

Any decline in purchases by Petróleos Mexicanos may hurt Tenaris s sales and revenues in the future.

Tenaris enjoys a strong relationship with Petróleos Mexicanos, or Pemex, one of the world s largest crude oil and condensates producers. Pemex has been Tamsa s single largest customer and one of Tenaris s largest customers. Sales to Pemex, including drilling companies contracted by Pemex, as a percentage of Tenaris s total seamless steel pipe sales volume, amounted to 4.4% in 2002. The volume

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of sales to Pemex has fluctuated historically and may continue to fluctuate in the future in response to diverse factors, such as changes in the amounts budgeted by Pemex for exploration and production and changes in drilling activity by Pemex or the drilling companies contracted by Pemex, as they may not maintain their current volume of purchases of Tenaris s products. The loss of Pemex as a customer or a reduction in the volume of sales to Pemex (or drilling companies contracted by Pemex) would have a material adverse effect on Tenaris s results of operations.

Tamsa may continue to lose the value of its investment in Siderúrgica del Orinoco, C.A., or Sidor, which would have a negative impact on Tenaris s net worth.

In January 1998, an international consortium of companies, the *Consorcio Siderurgia Amazonia Ltd,* or Amazonia, purchased a 70.0% equity interest in Sidor from the Venezuelan government, which retained the remaining 30.0%. Tamsider, a wholly-owned subsidiary of Tamsa, held an initial 12.5% equity interest in Amazonia, which increased to 14.1% in March 2000 as a result of additional investments described below. As of December 31, 2002, Tamsider s equity interest in Amazonia remained at 14.1%.

In connection with the 2003 restructuring of Sidor and Amazonia s debt discussed below, Tamsider purchased a 24.4% equity interest in Ylopa Serviços de Consultadoria Lda., or Ylopa, a newly created company. After the consummation of the restructuring on June 20, 2003, Tamsider capitalized in Amazonia a convertible subordinated loan made to Amazonia in connection with the 2000 restructuring described below and, as a result, increased its participation in Amazonia to a 14.5% equity interest, and Ylopa held new debt instruments of Amazonia convertible, at Ylopa s option at any time after June 20, 2005, into a 67.4% equity interest of Amazonia. In addition, the Venezuelan government s ownership in Sidor increased to 40.3%, while Amazonia s beneficial ownership in Sidor decreased to 59.7%. As part of the June 2003 restructuring, all the Amazonia shares as well as all the shares of Sidor held by Amazonia, were placed in trust with Banesco Banco Universal, C.A., as trustee.

Sidor has experienced significant financial losses and other problems since the acquisition by Amazonia in January 1998, despite a significant reduction in Sidor s workforce and management s efforts to improve the production process and reduce operating costs. In 1999, due to negative conditions in the international steel market, a sustained and intensifying domestic recession in Venezuela, deteriorating conditions in the credit markets, an increase in the value of the Venezuelan currency relative to the U.S. dollar and other adverse factors, Sidor and Amazonia incurred substantial losses and were unable to make payments due under loan agreements with their respective creditors. In 2000, these loan agreements were restructured. Despite continued efforts by Sidor s management to improve technology and optimize production levels, in late 2001 Sidor and Amazonia were again unable to make payments due under the restructured loan agreements, following a continuation and aggravation of the same negative factors described above accompanied by increased competition from steel imports in Venezuela. As of December 31, 2002, Sidor had approximately USD1.58 billion of indebtedness (secured in part by fixed assets valued at USD827 million as determined at the time Sidor s loans were restructured in March 2000) and Amazonia had approximately USD313 million of indebtedness.

2000 Restructuring. As a result of the adverse trends discussed above, in connection with the restructuring concluded in 2000 Tamsider made additional capital contributions to Amazonia, while recording significant losses in the value of its investment. In addition to its initial capital contribution of USD87.8 million, Tamsider was required to make capital contributions to Amazonia in the amount of USD36.1 million (of which USD18.1 million was an additional capital contribution and USD18.0 million took the form of a convertible subordinated loan to Amazonia). The value of Tamsider s investments (as recorded in our audited consolidated financial statements) has decreased

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significantly since 1998, from USD94.2 million as of December 31, 1998, to USD13.2 million as of December 31, 2002. Due to Sidor s financial situation, as described above, at December 31, 2001, Tamsider recorded a valuation allowance in the amount of MXP154,688 thousand in order to reduce the value of its investment in Amazonia and the subordinated convertible debentures.

Expiration of Performance Bond. The Sidor purchase agreement between Amazonia and the Venezuelan government required the shareholders of Amazonia, including Tamsider, to indemnify the government for breaches by Amazonia of the Sidor purchase agreement up to a maximum amount of USD150 million, for five years from the acquisition. In connection with this indemnity, the shareholders of Amazonia were required to maintain a performance bond (which Tamsa guaranteed directly in proportion to its interest in Amazonia) for five years, beginning in 1998, in the amount of USD150 million during the first three years, USD125 million in the fourth year and USD75 million in the fifth year. The guarantee expired in January 2003.

2003 Restructuring. On June 20, 2003, Sidor, Amazonia and their creditors (including the Venezuelan government) consummated a restructuring of the Sidor and Amazonia debt. Under the terms of the restructuring:

- Ylopa purchased all of Amazonia s bank debt and a portion of Sidor s bank debt for a total amount of USD133.5 million;
- Sidor purchased a portion of its own bank debt for a total amount of USD37.9 million;
- the remainder of Sidor s bank debt was refinanced and the lenders agreed to the payment by Sidor of lower interest rates and a longer tenor;
- Ylopa assigned to Amazonia all of the debt it purchased in exchange for debt instruments of Amazonia convertible into a 67.4% equity interest in Amazonia at Ylopa s option;
- the Venezuelan government capitalized half of the debt owed to it by Sidor and consequently increased its equity ownership interest in Sidor to 40.3%;
- the remainder of the debt owed to the Venezuelan government was refinanced;
- certain agreements entered to in connection with the 2000 restructuring were terminated and the Amazonia shareholders, including Tamsider, were released from:
  - the guarantees they had provided with respect to the principal and a portion of the interest payable under the loan made to Sidor by the Venezuelan government;
  - their obligations under a certain put agreement that previously required them to purchase up to USD25 million in loans payable by Amazonia to its private lenders; *and*
  - their obligations under a letter to these lenders contemplating the possibility of additional capital contributions of up to USD20 million in the event of extreme financial distress of Sidor; *and*
- beginning in 2004, but in no event before the first USD11 million of Sidor s excess cash (determined in accordance with the restructuring documents) has been applied to repay Sidor s bank debt, 30.0% of Sidor s distributable excess cash for each year (determined in accordance with the restructuring documents) will be applied to repay Sidor s restructured debt, and any remaining distributable excess cash for such year will be paid as follows:

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- 59.7% to Ylopa (until 2012 or such earlier year in which Ylopa has received an aggregate amount of USD324 million) or Amazonia (after expiration of Ylopa s right to receive Sidor s remaining distributable excess cash), as the case may be, *and*

- 40.3% to the Venezuelan government.

Tenaris, through Tamsider, participated in the 2003 restructuring by making an aggregate cash contribution (mainly in the form of subordinated convertible debt) of USD32.9 million to Ylopa and by capitalizing in Amazonia convertible debt previously held by Tamsa in the amount of USD18.0 million plus accrued interest. Tenaris s indirect participation in Amazonia increased from 14.1% to 14.5% and may further increase up to 21.2% if and when all of its subordinated convertible debt is converted into equity.

Following completion of the restructuring between Sidor, Amazonia and their creditors (including the Venezuelan government), Sidor had approximately USD791.0 million of indebtedness outstanding and Amazonia had no financial indebtedness outstanding. Sidor s financial indebtedness was made up of three tranches, one of USD350.5 million to be repaid over 8 years with one year of grace, one of USD26.3 million to be repaid over 12 years with one year of grace and the remaining tranche of USD368.6 million, to be repaid over 15 years with one year of grace. In addition, Sidor s commercial indebtedness with certain Venezuelan government-owned suppliers amounted to USD45.4 million, to be repaid over the next five years.

After consummation of the 2003 restructuring, Tamsider continues to bear the risk of further losses in the equity value of its investment in Amazonia as well as losses in the equity value of its investment in Ylopa, but none of Tamsa, Tamsider or Ylopa guarantees the restructured indebtedness of Sidor. The restructuring agreements contemplate, however, certain continuing obligations and restrictions, including:

- pledges to the Sidor financial lenders of Sidor and Amazonia shares, which will remain in effect for two years from the date of the restructuring so long as no event of default has occurred and is continuing under Sidor s refinanced loan agreements;

- pledges to the Sidor financial lenders of any future debt of Amazonia, which will remain in effect until such time as the pledges of the Amazonia and Sidor shares referred to above are released;

- negative pledges not to create, incur or suffer to exist a lien (other than certain permitted liens) over any of the equity or debt of Amazonia held by, or owed to, the Amazonia shareholders; *and*

- restrictions on the ability to institute or join a proceeding seeking the liquidation, bankruptcy or reorganization of Amazonia or Sidor.

Significant indebtedness of Dalmine, Tenaris s main operating subsidiary in Italy, could limit such subsidiary s ability to compete effectively in the future or to operate successfully under adverse economic conditions.

As of December 31, 2002, Dalmine had total indebtedness of 301.8 million, including short-term financial indebtedness and current maturities of long-term financial debt of 124.6 million. Dalmine s percent of net financial debt to capitalization was approximately 56.8% as of December 31, 2002. Dalmine s amount of total financial debt presents the risk that Dalmine might not have sufficient cash to service its indebtedness or might not have access to the capital or bank markets to refinance its indebtedness or incur additional indebtedness and that Dalmine s leveraged capital structure could limit its ability to finance acquisitions, capital expenditures or additional projects to compete effectively in

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the future or to operate successfully under adverse economic conditions. Dalmine is not currently in violation of any financial covenant under any of its loan facilities.

Tenaris s results of operations, financial condition and net worth may suffer as a result of a lawsuit in Great Britain against Dalmine.

A consortium led by BHP Petroleum Limited, or BHP, has sued Dalmine before the Commercial Court of the High Court of Justice Queen s Bench Division of London in connection with alleged defects in a pipe manufactured by Dalmine for use in constructing a submarine gas pipeline. BHP has alleged inconsistencies between the results of internal chemical tests performed by Dalmine on the pipe and the results shown in the quality certificates issued to BHP by Dalmine. In May 2002, the trial court issued a judgment in favor of BHP, holding that the products supplied by Dalmine were the cause for the failure of the gas pipeline and that Dalmine was liable for damages to BHP. The court s judgment was limited to the issue of liability, and the amount of damages to be awarded to BHP is being determined in a separate proceeding. Dalmine s petition to the trial court for leave to appeal its judgment was denied, but subsequently granted by the Court of Appeals. However, on February 5, 2003, the Court of Appeals dismissed Dalmine s appeal, closing the dispute on the issue of liability.

BHP has indicated in court proceedings that it will seek damages of approximately 35 million British pounds to cover the cost of replacing the pipeline, 70 million British pounds to compensate for consequential damages, 73 million British pounds to cover loss or deferred revenues, 31 million British pounds to compensate for increased income tax resulting from a change in law and interest and costs for unspecified amounts. Subsequent to the court s recent judgment in favor of BHP on the issue of liability, BHP petitioned the court for an interim judgment of damages in the amount of approximately 37 million British pounds to cover the cost of replacing the pipeline. On July 31, 2002, Dalmine agreed to pay BHP 15 million British pounds in interim damages. The court is expected to hear arguments regarding, and issue its final judgment on total damages during the first half of 2004.

Dalmine created a provision in the amount of 45 million in its results for 2001 to account for probable losses as a result of BHP s lawsuit, which had a substantial adverse effect on its earnings for that year. Subsequently, Dalmine increased in its results for 2002 the amount of the provision by 20 million, inclusive of interest accrued and legal expenses incurred in connection with such proceedings.

The pipe that is the subject of this lawsuit was manufactured and sold, and the tort alleged by BHP took place, prior to the privatization of Dalmine, and Techint Investments Netherlands B.V. (the Siderca subsidiary party to the contract pursuant to which Dalmine was privatized) believes that, under the Dalmine privatization contract, Techint Investments should be entitled to recover from Fintecna S.p.A., an Italian state-owned corporation whose indirect predecessor formerly owned Dalmine, on behalf of Dalmine (as a third party beneficiary under the Dalmine privatization contract), 84.08% of any damages it may be required to pay BHP. Techint Investments has commenced arbitration proceedings against Fintecna to compel it to indemnify Dalmine for any amounts Dalmine may be required to pay BHP. Fintecna has denied that it has any contractual obligation to indemnify Dalmine, asserting that the indemnification claim is time-barred under the terms of the privatization contract and, in any event, subject to a cap of 13 million. Techint Investments disputes this assertion. The arbitration proceedings were suspended at a preliminary stage pending a decision by the British trial court in BHP s lawsuit against Dalmine. Upon request by Techint Investments and Dalmine, the arbitration panel decided to resume the proceedings in light of the court of appeal s recent decision to dismiss Dalmine s appeal against the judgment of liability in favor of BHP.

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If Dalmine were required to pay damages to BHP substantially in excess of its provision of 65 million (including consequential damages or deferred revenues), and those damages were not reimbursed to Dalmine by Fintecna, Dalmine s (and, consequently, Tenaris s) results of operations, financial condition and net worth would be further materially and adversely affected.

Risks Relating to Argentina and Mexico

Holders of Tamsa shares and ADSs are currently primarily exposed to country-specific risks relating to developments in Mexico and Venezuela but not in Argentina, while holders of Tenaris shares and ADSs will be primarily exposed to country-specific risks relating to developments in, among others, Argentina and Mexico.

Negative economic, political and regulatory developments in Argentina may hurt Siderca s financial condition, revenues and sales volume and disrupt its manufacturing operations, thereby adversely affecting Tenaris s results of operations and financial condition.

Many of the manufacturing operations and assets of Siderca, Tenaris s main subsidiary in Argentina, are located in Argentina, and approximately one third of Siderca s sales have historically been made in Argentina. Siderca s business may be materially and adversely affected by economic, political and regulatory developments in Argentina, thereby affecting Tenaris s results of operations and financial condition. The discussion of recent developments in Argentina that follows was mainly derived from statements of Argentine public officials.

Economic and political situation. After decades of major volatility, with periods of low or negative economic growth, inflation reaching three and even four digit levels and repeated devaluations of the Argentine currency, in 1991 the Argentine government launched a plan aimed at controlling inflation and restructuring the economy, whose centerpiece was the Convertibility Law. The Convertibility Law fixed the exchange rate at one Argentine peso per U.S. dollar and required that the Argentine Central Bank maintain reserves in gold and foreign currency at least equivalent to the monetary base. As a result, inflation declined steadily and the economy experienced growth through most of the period from 1991 to 1997. Nevertheless, starting in the fourth quarter of 1998, the Argentine economy entered into a recession which led to a cumulative drop in the gross domestic product, or GDP, in excess of 8% by the end of 2001, and a deterioration of other variables such as GDP per capita, unemployment rate and tax collections.

In the second half of 2001, this sustained period of economic contraction culminated in severe social, monetary and financial turmoil and a series of dramatic political and legislative developments in Argentina. President de la Rúa resigned on December 21, 2001, in the face of large-scale, violent demonstrations against his administration. After three interim presidents in rapid succession, Senator Eduardo Duhalde, a member of the opposition Peronist party, was elected by the Legislative Assembly and assumed the presidency on January 2, 2002, to serve for the remainder of former President de la Rúa s term until December 10, 2003. The Duhalde administration quickly adopted a series of emergency measures affecting Argentina s monetary and fiscal policies. On January 6, 2002, the Argentine Congress approved the Public Emergency Law, ending more than a decade of uninterrupted U.S. dollar-Argentine peso parity under the Convertibility Law, eliminating the requirement that the Argentine peso be fully backed by gold and foreign reserves and establishing a framework for the resulting devaluation of the Argentine peso. Other emergency measures included:

- ratifying the suspension of payments on a significant portion of Argentina s sovereign external debt declared on December 23, 2001, by one of the interim presidents;

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converting U.S. dollar-denominated debts into Argentine peso-denominated debts at an exchange rate of ARP1.00 per U.S. dollar (for internal debts other than federal and provincial government debts) and ARP1.40 per U.S. dollar (for internal federal and provincial government debts);

converting U.S. dollar-denominated bank deposits into Argentine peso-denominated bank deposits at an exchange rate of ARP1.40 per U.S. dollar;

restructuring bank deposits and continuing or expanding restrictions on bank withdrawals (including a freeze on withdrawals from U.S. dollar accounts) and transfers abroad;

introducing legislation requiring U.S. dollar revenues from most export sales of Argentine products to be repatriated and exchanged for Argentine pesos at a free floating exchange rate;

enacting amendments to the bankruptcy law to protect Argentine debtors (although certain of these amendments were later repealed);

enacting an amendment to the Argentine Central Bank s charter to allow it to print currency in excess of the amount of foreign reserves it holds, make short-term advances to the federal government and provide financial assistance to financial institutions with liquidity constraints or solvency problems; *and*

imposing a 5% tax on industrial exports.

In the months following the adoption of the Public Emergency Law and other emergency measures, the country continued to deteriorate economically, politically and socially. During the first half of 2002, the events described above caused an abrupt rise in the exchange rate, reaching a high of ARP3.90 per U.S. dollar in June 2002. Inflation continued to increase, in part due to the devaluation of the Argentine peso, with the cumulative consumer price index, or CPI, rising by 42.8% from December 2001 through January 2003 and the cumulative wholesale price index, or WPI, rising by 119.1% during the same period. The Duhalde administration responded to the worsening crisis by introducing new measures and amendments to the existing measures. The absence of legal protections and of a sustainable economic and fiscal plan, coupled with a general distrust of the Argentine government and financial institutions, has nonetheless impaired recovery.

At this time, Argentina faces considerable political uncertainty and the degree of internal and external support for the current administration remains unclear. Although presidential elections were held on April 27, 2003, no candidate obtained the requisite percentage of votes to be elected president. Although a run-off election between the two candidates that obtained the highest number of votes, Carlos Menem and Néstor Kirchner, was initially required, Carlos Menem withdrew from the run-off election and, as a result, Néstor Kirchner was elected president; the new president assumed office on May 25, 2003. The effect of the new government s economic policy on the economy and on Tenaris s operations in Argentina is impossible to predict.

Government control of the economy. The Argentine government has historically exercised significant influence over the economy. In response to the current crisis, since December 2001 the Argentine government has promulgated numerous, far-reaching and sometimes inconsistent laws and regulations affecting the economy. We cannot assure you that laws and regulations currently governing the economy will not continue to change in the future, particularly in light of the continuing economic crisis, or that any changes will not adversely affect Siderca s or Tenaris s business, financial condition or results of operations.

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Due to the current social and political crisis, investing in companies with Argentine operations entails risks of loss resulting from:

- taxation policies, including direct and indirect tax increases;
- potential interruptions in the supply of electricity, gas or other utilities;
- expropriation, nationalization and forced renegotiation or modification of existing contracts;
- restrictions on repatriation of investments and transfer of funds abroad;
- civil unrest, rioting, looting, nation-wide protests, road blockades, widespread social unrest and strikes; *and*
- changes in laws and policies of Argentina affecting foreign trade, taxation and investment.

Several of the steps taken by the Argentine government as described above have had and could continue to have an adverse effect on the ability of Siderca to make payment of dividends or other amounts to us. Pursuant to certain decrees and implementing regulations of the Argentine Central Bank, Argentine individuals and companies, including Siderca, are subject to restrictions on the making of certain transfers of funds abroad and to the prior approval of the Argentine Central Bank. Until February 7, 2003, transfers by Siderca of U.S. dollars destined to the payment of dividends outside of Argentina were subject to the prior approval of the Argentine Central Bank. For example, on December 4, 2001, Siderca distributed a dividend consisting of cash and shares of Siderar S.A.I.C. Instead of distributing the unregistered Siderar shares directly to holders of the ADSs, the depositary, pursuant to the Siderca ADR deposit agreement, chose to liquidate the Siderar shares in the Argentine market and deliver the cash proceeds to holders of Siderca ADSs. However, due to the Argentine government s emergency measures, the depositary was prevented from transferring out of Argentina either the ADS holders cash payments or the proceeds from the sale of the Siderar shares until March 3, 2003. If restrictions of this kind were to be imposed again in the future, Siderca s ability to transfer funds in U.S. dollars outside Argentina for the purpose of making payments of dividends or other amounts to us and to undertake investments and other activities that require payments in U.S. dollars would be impaired.

International financing and investor confidence. To date, the International Monetary Fund, or the IMF, and other multilateral and official sector lenders have indicated an unwillingness to provide any significant financial aid to Argentina until a sustainable economic program has been presented. It is unclear whether President Kirchner will have the necessary support from the Argentine Congress, provincial and local authorities and political parties to implement the reforms required to restore economic growth and public confidence and to obtain international assistance. In addition, the principal international rating agencies downgraded the rating of Argentina s sovereign debt, which currently reflects its default status. Consequently, Argentina is not expected to have access to the international credit markets on economically feasible terms, if at all, for the foreseeable future. The Argentine government s insolvency, credit default and effective inability to obtain financing can be expected to affect significantly its ability to implement any reforms, undermining the private sector s ability to restore economic growth, and may result in deeper recession, higher inflation and unemployment and greater social unrest. This negative environment may, in turn, materially and adversely affect Siderca s (and thereby Tenaris s) operations and financial condition.

Devaluation of the Argentine peso. The Public Emergency Law ended more than a decade of U.S. dollar-Argentine peso parity and eliminated the requirement that the Argentine Central Bank s reserves be at all times at least equal to the aggregate amount of Argentine pesos in circulation and Argentine peso deposits of the financial sector with the Argentine Central Bank.

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On January 11, 2002, the exchange rate began to float for the first time since April 1991. Heightened demand for scarce U.S. dollars caused the Argentine peso to trade well above the one-to-one parity. The Argentine Central Bank s ability to lower the Argentine peso-U.S. dollar exchange rate by selling U.S. dollars depends on its limited U.S. dollar reserves. In response to high demand for U.S. dollars and the scarcity of U.S. dollars to meet that demand, the Argentine government instituted numerous policies, including imposing several temporary freezes (or holidays) on exchange transactions and requiring the export sector to settle on a daily basis its non-Argentine currencies through the Argentine Central Bank. The devaluation of the Argentine peso and the uncertainty surrounding its future value place the Argentine economy at risk for further deterioration, which, in turn, may have a significant impact on our business, results of operations and financial condition.

Financial systems. In the last quarter of 2001, a very significant amount of deposits were withdrawn from Argentine financial institutions as a result of increasing political instability. As a result, banks suspended the disbursement of new loans and focused on collection activities, thereby creating a liquidity crisis which has undermined the ability of many Argentine banks to pay their depositors. Like other Argentine companies, Siderca continues to have virtually no access to credit from the local market.

For much of 2002, the Argentine government restricted the amount of cash that depositors could withdraw from financial institutions through restrictions referred to as the *corralito.* On February 3, 2002, pursuant to an emergency decree, the Argentine government announced the mandatory conversion of virtually all non-Argentine currency-denominated deposits into Argentine peso-denominated deposits and set the exchange rate for this conversion at ARP1.40 per U.S. dollar. In addition, the emergency decree converted virtually all debts to Argentine financial institutions denominated in non-Argentine currency into Argentine pesos at a rate of ARP1.00 per U.S. dollar and provided that some debts be adjusted according to an index rate determined by the Argentine Central Bank based on variations in the Argentine consumer price index or salary variations, as appropriate. On December 6, 2002, the Argentine government began relaxing the *corralito* by lifting certain restrictions on withdrawals from deposits and savings accounts, and on April 1, 2003, the government published the timetable for the termination of the remaining restrictions.

On March 5, 2003, the Argentine Supreme Court ruled that the mandatory conversion of non-Argentine peso-denominated deposits into Argentine peso-denominated deposits is unconstitutional. Lower courts may follow the Argentine Supreme Court precedent and order banks to return deposits in U.S. dollars or in Argentine pesos at a free exchange rate. To the extent the impact of these potential court decisions is not covered by adequate compensation for banks, this precedent could have a material adverse impact on the Argentine financial system and could cause it to collapse.

The crisis in Argentina and its financial sector has adversely affected and will likely continue to adversely affect Siderca s ability to borrow funds (including the establishment of lines of credit), requiring Siderca to continue to rely on internally generated funds to sustain its operations. In addition, Tenaris s customers in Argentina could be materially and adversely affected if the troubled Argentine financial system were to collapse.

Inflation. Argentina experienced significant inflation in 2002, with cumulative changes in the CPI of 40.95% and in the WPI of 118.12%. From January 2003 through July 2003, cumulative inflation was 2.52% for the CPI and -2.60% for the WPI. This level of inflation reflected both the effect of the peso devaluation on production costs as well as a substantial modification of relative prices, partially offset by the elimination of tariff adjustments and the large drop in demand resulting from the severe recession.

On January 24, 2002, the Argentine government amended the charter of the Argentine Central Bank to enable the Argentine Central Bank to print currency without having to maintain a fixed and direct relationship with its foreign currency and gold reserves and to make short-term advances to the federal government. Argentina s experience prior to the adoption of the Convertibility Law raises serious doubts as to the government s ability to maintain a strict monetary and fiscal policy and control inflation, and there is considerable concern that if the Argentine Central Bank prints currency to finance deficit spending, it will likely trigger significant inflation. The unpredictability of Argentina s inflation rate makes it impossible for us to foresee how Siderca s business and results of operations may be affected by future inflation. Continued inflation in Argentina would likely deepen Argentina s current economic recession and could adversely affect Siderca s (and thereby Tenaris s) operating costs and sales in Argentina.

Business environment. Tenaris s business and operations in Argentina have been and will likely continue to be adversely affected by the crisis in Argentina and by the Argentine government s response to the crisis. For example, Siderca exports a very large percentage of its products and accepts payment in U.S. dollars. Until current emergency measures are removed or revised, Siderca is required to repatriate the U.S. dollars collected in connection with these exports (including U.S. dollars obtained through advance payment and pre-financing facilities) into Argentina and convert them into Argentine pesos at the market based floating exchange rate applicable on the conversion date. This requirement subjects Siderca to Argentine peso devaluation risk (notwithstanding the fact that a majority of its revenues are in U.S. dollars) and generates significant transactional costs (resulting, in part, from the applicable exchange rate spread when those Argentine pesos are converted back into U.S. dollars). Also, under current emergency measures, the Argentine Central Bank is requiring up to 360 days to approve payments abroad for products imported into Argentina. While Siderca has attempted to mitigate the impact of this requirement by establishing a trust fund outside Argentina to pay for imported products, the Argentine government may take steps in the future to prohibit or severely reduce the effectiveness of this mechanism.

Siderca has also experienced reduced domestic sales in the last quarter of 2001 and in 2002 (which it expects to continue in the foreseeable future) fueled by the economic slowdown and the export tariffs imposed on the oil sector, which have impacted its local customers investment programs. Furthermore, the 5% tax on Siderca s exports and any additional taxes or surcharges on Siderca s products the Argentine government may choose to impose in the future, represent an additional cost to Siderca, which may adversely effect Siderca s (and thereby Tenaris s) results of operation.

Negative economic, political and regulatory developments in Mexico may hurt Tamsa s domestic sales volume and disrupt its manufacturing process, thereby adversely affecting Tenaris s results of operations and financial condition.

Most of Tamsa s manufacturing operations and assets are located in Mexico and a substantial portion of Tamsa s sales are made in Mexico. Tamsa s business may be affected by economic, political and regulatory developments in Mexico. The discussion of recent developments in Mexico that follows was mainly derived from information recently filed by the Mexican government and Pemex with the SEC.

Economic situation. Beginning in December 1994, and continuing through 1995, Mexico experienced an economic crisis characterized by exchange rate instability, a devaluation of the Mexican peso, high inflation, high domestic interest rates, economic contraction, a reduction of international capital flows, reduced consumer purchasing power and high unemployment. In response to the economic crisis, the Mexican government implemented broad economic reform programs which improved economic conditions in 1996 and 1997. However, a combination of factors led to a reduction of

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Mexico s economic growth in 1998, including the economic crises in Asia, Russia, Brazil and other emerging markets that began in late 1997. In 1999, GDP grew by 3.6% and in 2000, by 6.6%. During 2001, the Mexican economy experienced a slowdown, which was mainly due to a decline in global and domestic consumption. GDP decreased by 0.3% in 2001 and increased by 0.9% in 2002. The Mexican government currently estimates that GDP will increase by 3.0% in 2003. A deterioration in Mexico s economic conditions may adversely affect Tamsa s business, results of operations, financial condition, liquidity or prospects.

Impact of significant inflation and interest rates. In recent years, Mexico has experienced high levels of inflation. The annual rate of inflation, as measured by changes in the Consumer Price Index, was 9.0% during 2000, 4.4% in 2001 and 5.7% in 2002. *Banco de México* currently estimates that the annual rate of inflation for 2003, as measured by changes in the Consumer Price Index, will be 4.0%, which is below the official target established for the year of 4.2%. Interest rates on 28-day Mexican treasury bills, or *Cetes,* averaged 15.27% in 2000, 11.26% in 2001 and 7.08% in 2002, and closed on July 29, 2003 at 4.14%.

If inflation in Mexico is not maintained within the government s projections, the Mexican economy and, consequently, Tamsa s financial condition and results of operations may be adversely affected.

Price controls. Seamless steel pipe products, like most products in Mexico, historically were subject to price controls imposed by the Mexican government. Although seamless steel pipe prices were officially decontrolled in September 1989, the Mexican government maintained other price restrictions until August 1990 as an inflation reduction measure. In 1995, as part of its response to the Mexican economic crisis, the Mexican government sought to minimize inflation by promoting the gradual implementation of domestic price increases. Currently, domestic steel pipe prices are not regulated; if any price control regulations were reimposed in the future, Tamsa s sales revenues might be adversely affected.

Government control of the economy. The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican government actions concerning the economy may have adverse effects on private sector entities in general and on Tenaris in particular. Further, the Mexican government exercises significant influence over Pemex and its budget for exploration, which largely determines the volume of Pemex s purchase of seamless steel pipe products from Tenaris. Economic plans of the Mexican government in the past have not, in many respects, fully achieved their objectives, and these and other economic plans of the Mexican government may not achieve their stated goals. Similarly, it is not possible to determine what effect those plans or their implementation will have on the Mexican economy or on Tenaris s financial condition or results of operations.

Political events. Mexican political events may also affect Tenaris s financial condition and results of operations and the performance of securities issued by Mexican companies. The Mexican political environment is in a period of change. In July 2000, Vicente Fox, a member of the National Action Party (*Partido Acción Nacional,* or PAN), the oldest opposition party in the country, won the Presidential election. He took office on December 1, 2000, ending 71 years of rule by the Institutional Revolutionary Party (*Partido Revolucionario Institucional,* or PRI). In addition, parties opposed to the PRI increased their representation in the Mexican Congress, and, as a result, the PRI lost its congressional majority. Currently, no party has a working majority in either house of the Mexican Congress, which has made governability and the passage of legislation more difficult. Major federal elections were held on July 6, 2003, with all seats in the Chamber of Deputies at stake. In these elections, the PAN gained approximately 30% of the vote, compared to approximately 34%

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for the PRI. The Senate will maintain its current composition until 2006. Since neither the PAN nor the PRI gained a working majority in the Chamber of Deputies, problems of gridlock will persist in both houses of the Mexican Congress.

Risks Relating to Our Shares and ADSs

Our controlling shareholder may be able to take actions that do not reflect the will or best interests of other shareholders.

As of July 31, 2003, San Faustín beneficially owned 61.2% of our outstanding voting stock. Until June 10, 2003, San Faustín was ultimately controlled by Roberto Rocca, either directly or through Rocca & Partners S.A., a British Virgin Islands corporation. Following Mr. Rocca s death on June 10, 2003, San Faustín is controlled by Rocca & Partners. As a result, Rocca & Partners is indirectly able to elect a substantial majority of the members of our board of directors and has the power to determine the outcome of most actions requiring shareholder approval, including, subject to the requirements of Luxembourg law, the payment of dividends by us. The decisions of our controlling shareholder, including decisions with respect to this exchange offer, may not reflect the will or best interests of other shareholders.

The trading price of our shares and ADSs may suffer as a result of lower liquidity in the Argentine and Mexican equity markets.

Our shares are listed on several exchanges, including the Buenos Aires Stock Exchange and the Mexican Stock Exchange, and the liquidity of our ADSs on the NYSE will be determined in part by the liquidity of our shares on the Buenos Aires Stock Exchange and the Mexican Stock Exchange. The Argentine and Mexican equity markets are less liquid than that of the United States and other major world markets. Reduced liquidity in these markets may increase the volatility of the trading price of our shares and ADSs and may impair your ability to readily buy or sell our shares and ADSs in desired amounts and at satisfactory prices.

Prices in publicly-traded Argentine equity securities have been more volatile than in many other markets. Total capitalization increased from USD44.7 billion as of December 31, 1996 to USD192.50 billion as of December 31, 2001 and decreased to USD103.3 billion as of December 31, 2002. The average volume of shares traded daily on the Buenos Aires Stock Exchange decreased from USD125.3 million in 1996 to USD37.0 million in 1999, USD24.1 million in 2000, and USD17.4 million in 2001, due to the decrease in capital inflows in 1999, 2000 and 2001, and increased slightly to USD17.8 million in 2002.

Prices in publicly-traded Mexico equity securities have been more volatile than in many other markets, despite an increase in total capitalization from USD106.8 billion as of December 31, 1996 to USD126.6 billion as of December 31, 2001 and decreased to USD104.7 billion as of December 31, 2002. The average daily trading volume of shares included in the principal equity index on the Mexican Stock Exchange decreased from USD144.6 million in 1996 to USD137.8 million in 1999, increased to USD165.1 million in 2000 and decreased to USD150.9 million in 2001 and USD105.9 million in 2002, due to the fluctuation in capital inflows in 1999, 2000, 2001 and 2002.

The trading price of our shares and ADSs may suffer as a result of developments in emerging markets.

Although we are organized as a Luxembourg corporation, a substantial portion of our assets and operations is located in Latin America. Financial and securities markets for companies with a substantial portion of their assets and operations in Latin America are, to varying degrees, influenced

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by economic and market conditions in emerging market countries. Although economic conditions are different in each country, investor reaction to developments in one country can have significant effects on the securities of issuers with assets or operations in other emerging markets, including Argentina, Brazil, Mexico and Venezuela. In late October 1997, prices of Latin American debt and equity securities dropped substantially, precipitated by a sharp drop in value of Asian markets. Similarly, in the second half of 1998, prices of Latin American securities were adversely affected by the economic crises in Russia and in Brazil. Various markets in Latin America, notably Argentina and Venezuela, are currently experiencing severe political and economic crises, which adversely affect the prices of securities of Latin American issuers or issuers with significant Latin American operations.

In deciding whether to purchase, hold or sell Tenaris shares or ADSs, you may not be able to access as much information about us as you would in the case of a U.S. company.

A principal objective of the securities laws of the other markets in which our securities are quoted, like those of the United States, is to promote the full and fair disclosure of all material information. There may, however, be less publicly available information about us than is regularly published by or about U.S. issuers. Also, the accounting standards in accordance with which our consolidated combined financial statements are prepared differ in certain material respects from the accounting standards used in the United States. See notes U and 31 to Tenaris s audited consolidated combined financial statements included in this prospectus, which provide a description of the principal differences between IAS and U.S. GAAP as they related to Tenaris s audited consolidated combined financial statements and a reconciliation to U.S. GAAP of net income and shareholders equity for the periods and at the dates indicated therein. Further, regulations governing our securities may not be as extensive as those in effect in the United States, and Luxembourg law and regulations in respect of corporate governance matters might not be as protective of minority shareholders as state corporations laws in the United States.

Holders of our ADSs may encounter difficulties in the exercise of dividend and voting rights.

You may encounter difficulties in the exercise of some of your rights as a shareholder if you hold ADSs rather than ordinary shares. If we make a distribution in the form of securities and you have the right to acquire a portion of them, the depositary is allowed, in its discretion, to sell on your behalf that right to acquire those securities and instead distribute the net proceeds to you. Also, under some circumstances, such as our failure to provide the depositary with voting materials on a timely basis, you may not be able to vote by giving instructions to the depositary on how to vote for you.

Holders of our ADSs in the United States may not be able to exercise preemptive rights in certain cases.

Under our articles of association, we are generally required, in the event of a capital increase against a contribution in cash, to offer rights to our existing shareholders to subscribe for a number of shares sufficient to maintain the holders existing proportionate holdings of shares of that class. We may, however, issue shares without preemptive rights if the newly-issued shares are issued for consideration other than money, are issued as compensation to directors, officers, agents or employees of the Company or its affiliates, or are issued to satisfy conversion or option rights created to provide compensation to directors, officers, agents or employees of the Company, its subsidiaries or its affiliates. Furthermore, holders of our ADSs in the United States may, in any event, not be able to exercise any preemptive rights, if granted, for ordinary shares underlying their ADSs unless additional ordinary shares and ADSs are registered under the U.S. Securities Act of 1933, as amended, or the

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Securities Act, with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with the exercise by holders of ADSs of the preemptive rights for ordinary shares underlying their ADSs and any other factors we consider appropriate at the time and then to make a decision as to whether to register additional ordinary shares and ADSs. We may decide not to register any additional ordinary shares or ADSs, in which case the depositary would be required to sell the holders rights and distribute the proceeds thereof. Should the depositary not be permitted or otherwise be unable to sell preemptive rights, the rights may be allowed to lapse with no consideration to be received by the holders of the ADSs.

It may be difficult to enforce judgments against us in U.S. courts.

We are a corporation organized under the laws of Luxembourg, and most of Tenaris s assets are located in Argentina, Mexico and Italy. Furthermore, most of our directors and officers and some experts named in this prospectus reside outside the United States. As a result, investors may not be able to effect service of process within the United States upon us or our directors or officers or some experts or to enforce against us or them in U.S. courts judgments predicated upon the civil liability provisions of U.S. federal securities law. There is doubt as to the enforceability in original actions in Luxembourg, Argentine, Mexican and Italian courts of civil liabilities predicated solely upon U.S. federal securities laws, and the enforceability in Luxembourg, Argentine, Mexican and Italian courts of judgments entered by U.S. courts predicated upon the civil liability provisions of U.S. federal securities law will be subject to compliance with procedural requirements under applicable local law, including the condition that the judgment does not violate the public policy of the applicable jurisdiction.

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PART THREE

THE EXCHANGE OFFER

Reasons for the Exchange Offer

After a series of corporate reorganization agreements, described under Part Four Information about Tenaris Related Party Transactions Corporate Reorganization Transactions , as of October 18, 2002, the Company held, directly or indirectly, approximately 71.17% of Siderca s outstanding capital stock, 50.77% of Tamsa s outstanding capital stock and 47.22% of Dalmine s outstanding capital stock. On November 11, 2002, the Company launched an exchange offer for all the remaining outstanding shares and ADSs of Siderca and Tamsa and all the remaining outstanding shares of Dalmine. After consummation of that exchange offer on December 17, 2002, the Company held, directly or indirectly, 99.11% of Siderca s outstanding capital stock, 94.50% of Tamsa s outstanding capital stock and 88.41% of Dalmine s outstanding capital stock. Since that date, we have consummated a unilateral acquisition under Argentine law of the remaining 0.89% of Siderca s outstanding capital stock, reaching a 100% direct and indirect holding in Siderca. On April 30, 2003, Tamsa cancelled 3,650,000 shares of Tamsa held by its subsidiary Tamsider and, as a result, our ownership of Tamsa s total outstanding capital stock was reduced to 94.44%. On June 23, 2003, we launched a tender offer in Italy for the remaining shares of Dalmine. Upon completion of the tender offer on July 11, 2003, we held, directly or indirectly, 96.8% of the shares of Dalmine. We also engaged in various open-market transactions for Dalmine s ordinary stock, in accordance with applicable law, through which we acquired, as of July 31, 2003, a 97.6% direct and indirect holding in Dalmine.

Because we acquired control of more than 88% of Tamsa s outstanding capital stock pursuant to the exchange offer consummated in December 2002, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange and, in connection with the delisting, to establish a fiduciary account in Mexico with a term of at least six months and allocate to that fiduciary account the number of Tenaris shares necessary to acquire any remaining shares of Tamsa held in Mexico for the same consideration offered in the previous exchange offer. Accordingly, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Following its delisting from the Mexican Stock Exchange, Tamsa will no longer be required to have independent directors and is expected not to have any independent directors in the future. Tamsa will terminate the Tamsa deposit agreement effective on September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

Through this exchange offer, we intend to provide the remaining public holders of Tamsa shares and ADSs with an additional opportunity to exchange their shares and ADSs for Tenaris ADSs on similar conditions to those in our previous exchange offer.

Chronology of the Decision-Making Process for the Exchange Offer

On December 16, 2002, we announced that our exchange offer for all the outstanding shares and ADSs of Siderca and Tamsa and all the outstanding shares of Dalmine held by the public had been successfully completed and that, as a result of that transaction, we held 99.11% of Siderca s

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outstanding capital stock, 94.50% of Tamsa s outstanding capital stock and 88.41% of Dalmine s outstanding capital stock. We also stated that as a result of our new ownership level in Tamsa, in accordance with Mexican law, we were entitled, and may also be required, to make further offers to the investors that did not exchange their shares, which may ultimately lead to the delisting of the shares of Tamsa.

On February 21, 2003, our board of directors authorized this exchange offer.

On March 31, 2003, we announced that we planned to acquire any remaining minority interests in Tamsa by effecting an exchange of Tenaris shares and ADSs for any Tamsa shares and ADSs not held by us or our affiliates in accordance with Mexican and U.S. laws.

On August 8, 2003, we filed with the SEC the registration statement on Form F-4 of which this prospectus forms a part.

On August [l], 2003, the SEC declared the registration statement effective.

History of Tenaris and Background of the Exchange Offer

San Faustín s predecessor entered into the steel pipe business for the first time in 1948 with the formation of Siderca in Argentina. Since that date, San Faustín s holdings in the steel pipe business have expanded significantly to include controlling interests in Tamsa, Dalmine and a number of smaller steel pipe manufacturers, as well as a global network of companies, representative offices and other assets that provide sales and marketing services to Siderca, Tamsa and Dalmine. See Part Four Information about Tenaris Business History and Corporate Organization.

Beginning in 1996, Siderca, Tamsa and Dalmine formed a strategic alliance, known as DST, in an effort to enhance the ability and competitiveness of each company in an increasingly global industry. Subsequently, Siderca acquired controlling interests in Confab, NKKTubes and AlgomaTubes, and Tamsa acquired a controlling interest in Tavsa. With this expanded network of steel pipe manufacturing facilities, Siderca, Tamsa and Dalmine extended the DST concept and unified their commercial strategy by launching in May 2001 the Tenaris brand.

As further steps in realizing our goal of creating the leading global steel pipe company, we and our affiliates entered into various corporate reorganization transactions, described under Part Four Information about Tenaris Related Party Transactions Corporate Reorganization Transactions , which resulted in the Company, as of October 18, 2002, holding, directly or indirectly, approximately 71.17% of Siderca s outstanding capital stock, 50.77% of Tamsa s outstanding capital stock and 47.22% of Dalmine s outstanding capital stock.

On November 11, 2002, we launched an exchange offer for all the outstanding shares and ADSs of Siderca and Tamsa and all the outstanding shares of Dalmine. We believe that this first exchange offer, which closed on December 17, 2002, significantly advanced our goal of creating the leading global steel pipe company by concentrating the vast majority of the shareholdings in the Tenaris companies (99.11% of Siderca, 94.50% of Tamsa and 88.41% of Dalmine) at the holding company level and substantially reducing the level of minority shareholdings at the operating company level. Since that date, we have consummated a unilateral acquisition under Argentine law of the remaining 0.89% of Siderca s outstanding capital stock, reaching a 100% direct and indirect holding in Siderca. On April 30, 2003, Tamsa cancelled 3,650,000 shares of Tamsa held by its subsidiary Tamsider and, as a result, our ownership of Tamsa s total outstanding capital stock was reduced to 94.44%. On June 23, 2003, we launched a tender offer in Italy for the remaining shares of Dalmine. Upon completion of the tender offer on July 11, 2003, we held, directly or indirectly, 96.8% of the shares of Dalmine. We also engaged in various open-market transactions for Dalmine s ordinary stock, in accordance with

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applicable law, through which we acquired, as of July 31, 2003, a 97.6% direct and indirect holding in Dalmine.

Because we acquired control of more than 88% of Tamsa s outstanding capital stock pursuant to the exchange offer consummated in December 2002, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange, in connection with the delisting, and to establish a fiduciary account in Mexico with a term of at least six months and allocate to that fiduciary account the number of Tenaris shares held in Mexico necessary to acquire any remaining shares of Tamsa for the same consideration offered in the previous exchange offer. Accordingly, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Tamsa will terminate the Tamsa deposit agreement effective on September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law.

Through this exchange offer, we intend to provide the remaining public holders of Tamsa shares and ADSs with an additional opportunity to exchange their shares and ADSs for Tenaris ADSs on similar conditions to those in our previous exchange offer.

Plans or Proposals

Except as stated in this prospectus, we presently do not have any plans or proposals with respect to Tamsa which relate to or would result in:

- an extraordinary corporate transaction such as a merger, reorganization or liquidation;
- a sale or transfer of a material amount of assets;
- any change in the board of directors or management;
- any material change in the capitalization or dividend policy; *or*
- any other material change in the corporate structure or business.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and the related letter of transmittal, we are offering to exchange:

- one newly issued Tenaris ADS (representing 10 of Tenaris s ordinary shares, par value USD1.00 per share), for every 9.4520 Tamsa common shares, no par value, tendered by you; *and*
- one newly issued Tenaris ADS for every 1.8904 Tamsa ADSs tendered by you.

If you hold Tamsa shares, you may tender these shares into this exchange offer only if you deposit these shares with the Tamsa depositary in exchange for Tamsa ADSs prior to 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 10, 2003. Only the valid tender without subsequent withdrawal of your Tamsa ADSs in accordance with the procedures set forth below will entitle you to receive Tenaris ADSs.

Fractional Shares and ADSs

We will not issue fractional Tenaris ADSs to holders of Tamsa securities in connection with this exchange offer. Instead, fractional Tenaris ADSs will be aggregated and the resulting ADSs will be sold

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in the open market with the net proceeds of such sale paid to the holders of Tamsa securities in an amount equal to the holder s proportionate interest in the aggregated fractional entitlement. You will receive the cash amount to which you are entitled as soon as practicable after settlement of this exchange offer.

Conditions to Completion of this Exchange Offer

We will not be required to accept for exchange or exchange any Tamsa securities tendered under this exchange offer and may terminate this exchange offer if at any time prior to the expiration date of this exchange offer or, in the case of conditions dependent upon the receipt and maintenance in full effect of a required regulatory approval, at any time prior to the date of any actual exchange of our securities for Tamsa securities, any of the following conditions exists:

- any provision of applicable law or regulation or any judgment, injunction or decree prohibits the consummation of this exchange offer in whole or in part;

- any material approval that may be required subsequent to the date of this prospectus, including any required regulatory license, has not been obtained, has been withdrawn or rescinded or has not remained in full force and effect, or any governmental authority has:

  - imposed, in connection with granting any required approval, any condition, which, when taken together with all other conditions imposed by governmental authorities in connection with the required approvals, would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Tenaris s operations after the expiration date of this exchange offer; *or*

  - required the taking of any action after the expiration date of this exchange offer which itself requires prior approvals or actions by a governmental authority if that action or approval could not be taken or obtained and the failure to take those actions or obtain those approvals would reasonably be expected, individually or in the aggregate, to have a material adverse effect on Tenaris s operations; *or*

- since the date of this prospectus any event, occurrence, development or state of circumstances or facts has occurred that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Tenaris or Tamsa;

which, in our reasonable judgment, makes it inadvisable to proceed with such acceptance for exchange or exchange.

Upon the occurrence of any of these conditions, we expressly reserve the right to terminate this exchange offer in whole or in part, not accept for exchange any tendered Tamsa securities and not issue any Tenaris ADSs. If we terminate this exchange offer in whole or in part and do not accept any Tamsa securities for exchange, we will give notice to the exchange agent and make a timely public announcement to that effect.

We may waive any of these conditions, in whole or in part, in our discretion. Any determination we make concerning an event, development or circumstance described above will be final and binding on all parties to the offer. Our failure at any time to exercise any of these rights will not be deemed a waiver of such right.

Expiration Date

This exchange offer will expire at 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 12, 2003, unless we choose to extend the offer, as permitted by applicable law and subject to applicable regulatory approvals. If we decide to extend the period of this exchange offer, subject to

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applicable law, then the expiration date means the latest time and date on which this exchange offer expires.

Extension, Termination and Amendment

We may extend this exchange offer with notice to the exchange agent at any time or from time to time, subject to applicable law, on or prior to the date then fixed for the expiration of this exchange offer. We will publicly announce any extension of this exchange offer in a timely manner but, unless otherwise required by applicable law or regulation, we will not have any obligation to communicate that public announcement other than by making a release to the Dow Jones News Service and to a similar press service in Mexico and, where required by applicable law, by publishing an announcement in a newspaper of widespread circulation. During any extension of this exchange offer, all Tamsa securities previously tendered will remain tendered subject to this exchange offer and may continue to be withdrawn.

We reserve the right to terminate this exchange offer under certain conditions described above.

If we modify the terms of this exchange offer, in accordance with applicable law, we will make those modified terms available to you, whether or not your Tamsa securities have been tendered prior to that modification. We will disclose any material modifications in accordance with the applicable rules of the SEC and Luxembourg and Mexican regulatory authorities. We will extend this exchange offer in accordance with the applicable rules of the SEC, which generally require us to maintain this exchange offer open for at least five business days from the date any material modification is disclosed. In addition, we will extend this exchange offer if required by the applicable rules of the Luxembourg or Mexican regulatory authorities or if, in our opinion, an extension is necessary to permit you to have adequate time to consider that modification.

Subsequent Offering Period

We may elect to provide an optional subsequent offering period. An optional subsequent offering period is different from an extension of the expiration date. Tamsa securities validly tendered and not withdrawn on or prior to the expiration date for the initial offering period may not be withdrawn during any optional subsequent offering period. Also, Tamsa securities validly tendered during any optional subsequent offering period may not be withdrawn; such Tamsa securities will be accepted and exchanged for Tenaris ADSs as they are tendered. We are required to provide during any optional subsequent offering period the same consideration being offered during the initial offering period.

We have not at this time made a final decision whether to provide an optional subsequent offering period. That decision will be made in our sole discretion, and there is no assurance that we will or will not provide such an optional subsequent offering period. In the event we elect or are required to include a subsequent offering period, we will notify holders of Tamsa securities in a manner consistent with applicable law and regulations and in any event no later than 9:00 a.m., New York City time (or 8:00 a.m., Mexico City time) on the next business day after the scheduled expiration date for the initial offering period, and we will immediately begin the subsequent offering period. To the extent permitted under applicable law and regulations, we may extend any initial subsequent offering period by any period or periods. We will publicly announce any extension, termination or amendment of an optional subsequent offering period no later than 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on the business day immediately preceding the previously scheduled expiration date. We will publicly announce any subsequent offering period and any extension, termination or amendment thereof in a timely manner but, unless otherwise required by applicable law or regulation, we will not have any obligation to communicate that public announcement other than by making a release to the Dow Jones News Service and to a similar press service in Mexico and, where required by applicable law, by publishing an announcement in a newspaper of widespread circulation.

Accounting Treatment

Under IAS, the purchase method applies to this transaction. Under this method, the value paid by us in excess of the fair value of the net assets acquired is treated as goodwill and amortized over a period generally not exceeding 20 years and periodically reviewed and amortized under the impairment method. Under U.S. GAAP, the purchase method applies to this transaction. In addition, as from January 1, 2002, goodwill is no longer amortized but is subject to periodic tests for impairment.

Procedures for Tendering Tamsa Shares and ADSs

The procedures for tendering your Tamsa securities will depend on whether you are tendering Tamsa ADSs or shares.

Tamsa ADSs

If you wish to tender Tamsa ADSs, you may deliver or cause to be delivered to the exchange agent (whose address appears on the back cover of this prospectus) for receipt on or prior to the expiration date:

- a properly completed and duly executed letter of transmittal (or a copy thereof) with respect to your Tamsa ADSs being tendered, together with any required signature guarantees, or an agent s message (as described below) in connection with a book-entry delivery of ADSs, and any other required documents; *and*

- the ADRs evidencing the Tamsa ADSs being tendered by mail or pursuant to the procedures for book-entry transfer set forth below (together with a confirmation of receipt of such ADRs).

If you hold Tamsa ADSs, you may tender your Tamsa ADSs in exchange for Tenaris ADSs at any time until the expiration of this exchange offer, as there will not be any guaranteed delivery procedures in connection with this exchange offer and the AMEX has authorized same-day settlement of the Tamsa ADSs.

Alternatively, you may elect not to take any action prior to the expiration of this exchange offer. Under the Tamsa deposit agreement, if you have not tendered your Tamsa ADSs by the expiration date of this exchange offer, you will be deemed to have instructed the Tamsa depositary to tender your Tamsa ADSs in exchange for Tenaris ADSs. See Amendment and Termination of the Tamsa Deposit Agreement.

By delivering to the exchange agent a letter of transmittal with respect to your Tamsa ADSs being tendered, the ADRs evidencing the Tamsa ADSs being tendered and other required documents, you will be deemed to accept (without any further action by the exchange agent) this exchange offer with respect to your tendered Tamsa ADSs subject to the terms and conditions set forth in this prospectus and the letter of transmittal. Your acceptance of this exchange offer, subject to your withdrawal rights described below, will constitute a binding agreement between you and us. If you tender your Tamsa ADSs pursuant to this exchange offer, you may not also tender the Tamsa common shares underlying those Tamsa ADSs. If your Tamsa ADSs are held through the book-entry transfer facility (as described below), they must be tendered by means of delivery of a letter of transmittal by agent s message and of the ADSs pursuant to the procedures for book-entry transfer to an account opened and maintained for such purpose by the exchange agent within The Depository Trust Company, or DTC.

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Book-Entry Transfer

The exchange agent will establish an account at DTC for purposes of this exchange offer promptly after the commencement of this exchange offer. Tamsa ADSs held in book-entry form must be delivered through DTC. Any financial institution that is a participant in DTC may make book-entry delivery of Tamsa ADSs by causing DTC to transmit an agent s message and to transfer such ADSs into the exchange agent s account at DTC in accordance with DTC s procedure for such transfer. The term agent s message means a message transmitted by DTC to, and received by, the exchange agent that states that the appropriate participant in DTC has delivered an express acknowledgment that such participant has received and agrees to be bound by the terms of the letter of transmittal. Delivery of documents to DTC in accordance with DTC s procedures does not constitute delivery to the exchange agent.

As a tendering holder of Tamsa ADSs, you will elect the method and assume the risks of delivering or causing the delivery of the letter of transmittal, the ADSs (and the ADRs evidencing them) and all other required documents. Your Tamsa ADSs will not be deemed to have been delivered until the exchange agent actually receives them. If delivery is by mail, registered mail with return receipt requested and proper insurance is recommended. You should make delivery as soon as possible after deciding to tender your Tamsa ADSs in this exchange offer, but in no event later than 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 12, 2003 or, if this exchange offer is extended, by the date and time specified in the notice of extension.

Signature Guarantees

No signature guarantee is required on the letter of transmittal if

- the registered holder of the Tamsa ADSs being tendered pursuant to that letter of transmittal signs it and the registered holder has not completed either the box entitled Special Delivery Instructions or the box entitled Special Issuance Instructions in the letter of transmittal; *or*

- the Tamsa ADSs being tendered pursuant to that letter of transmittal are tendered for the account of a financial institution, including most banks, savings and loan associations and brokerage houses which are participants in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Program or the Stock Exchange Medallion Program, each an eligible institution.

In all other cases, all signatures on letters of transmittal must be guaranteed by an eligible institution in accordance with the instructions provided in the letter of transmittal.

If the Tamsa ADSs are registered in the name of a person other than the signer of the letter of transmittal, then the ADRs evidencing those Tamsa ADSs being tendered must be endorsed or accompanied by appropriate stock powers, signed exactly as the name or names of the registered owner or owners appear on those ADRs, with the signatures on those ADRs or stock powers guaranteed as described above and in accordance with the instructions provided in the letter of transmittal.

Partial Tenders

If you wish to tender fewer than all of the Tamsa ADSs evidenced by any ADRs delivered to the exchange agent, you must indicate this in the letter of transmittal by completing the box entitled Number of Tamsa ADSs Tendered. In the case of a partial tender, you must surrender the old ADRs to the Tamsa depositary and withdraw the Tamsa shares underlying the remainder of the ADSs prior to expiration of this exchange offer. Otherwise, the Tamsa depositary will automatically tender your untendered Tamsa ADSs into this exchange offer. For more information, see Procedures for

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Tendering Tamsa Shares and ADSs Tamsa ADSs and Amendment and Termination of the Tamsa Deposit Agreement.

All Tamsa ADSs evidenced by ADRs delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated.

Notwithstanding any other provision hereof, we will issue our ADSs to you in exchange for your Tamsa ADSs accepted pursuant to this exchange offer only after the exchange agent has received within the allotted time:

- the ADRs evidencing those ADSs (or, in the case of ADSs held in book-entry form, timely confirmation of a book-entry transfer of those ADSs into the exchange agent s account at DTC pursuant to the procedures set forth above);

- a properly completed and duly executed letter of transmittal with any required signature guarantees (or, in the case of a book-entry transfer, an agent s message); *and*

- any other required documents.

If you have any doubts about the procedure for tendering your Tamsa ADSs, or if you have any questions or require assistance please contact the information agent or the exchange agent at their respective telephone numbers set forth on the back cover of this prospectus.

Tamsa Shares

If you wish to tender your Tamsa shares, you must cause the participant who appears as the owner of those shares on the books and records of S.D. Indeval, S.A. de C.V., *Institución para el Depósito de Valores,* the depositary for the Mexican securities clearing system, or Indeval, to deposit your Tamsa shares with the JPMorgan Chase, as depositary for the Tamsa s ADR program, before 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 10, 2003. After obtaining the Tamsa ADSs corresponding to the Tamsa shares you deposit, you must follow the procedures for tendering Tamsa ADSs.

If you have any doubts about the procedure for depositing your Tamsa shares with the Tamsa depositary, or if you have any questions or require assistance, please contact the information agent or the exchange agent at their respective telephone numbers set forth on the back cover of this prospectus.

Representations, Warranties and Agreements

By executing and delivering (or causing the execution and delivery of) a letter of transmittal with respect to your Tamsa securities as described above and effective from the date your securities are tendered thereby, you acknowledge, represent, warrant and agree to and with us as follows with respect to all of your securities so tendered or deemed to be tendered (except for any securities that you have validly withdrawn):

- you accept this exchange offer in respect of the number of securities indicated in the letter of transmittal and you will execute all other documents deemed by us to be necessary or desirable to perfect the transfer of title in respect of those securities, subject only to the withdrawal rights described below;

- you have the full power and authority to tender and assign your securities;

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- your securities are being transferred to us free from all liens, equities, charges and encumbrances and together with all rights that they now have or may acquire in the future, including voting rights and the right to all dividends, other distributions and interest payments hereafter declared, made or paid;

- unless you withdraw your securities from this exchange offer, you irrevocably authorize and instruct the exchange agent to deliver your securities to us upon confirmation of receipt by the exchange agent of Tenaris ADSs deliverable to you in exchange for those securities and, further, to do all such other acts and things as may in its opinion be necessary or expedient for the purposes of, or in connection with, the consummation of this exchange offer and the transfer to us or our nominee of all of your securities and all rights attaching to those securities;

- unless you withdraw your securities from this exchange offer, you irrevocably authorize and instruct us and our agents to record and act upon any instructions with regard to notices and payments which have been recorded in our records in respect of your securities;

- you have been advised to consult with your own advisors as to the consequences of participating or not participating in this exchange offer;

- concurrently with the delivery of a letter of transmittal, you will deliver to the exchange agent all required documents in respect of your securities;

- you will ratify each and every act that may be done or performed by us and Tamsa, as the case may be, and any of our or its directors or agents in the proper exercise of all powers and authorities granted to them by you as a result of your participation in this exchange offer;

- neither you nor any of your agents nor any person on whose behalf you are tendering securities has granted to any person any right to acquire any of the securities that you are tendering or any other right with respect to these securities;

- you will receive your Tenaris ADSs from us or from any person we may appoint to deliver those securities to you; *and*

- all authority herein conferred or agreed to be conferred by you shall not be affected by, and shall survive, your death or incapacity, and all of your obligations hereunder shall be binding upon your heirs, personal representatives, successors and assigns.

All Tamsa securities delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated.

Withdrawal Rights

You may withdraw the Tamsa securities you tendered to the exchange agent at any time prior to 5:00 p.m., New York City time (or 4:00 p.m., Mexico City time) on September 12, 2003.

If this exchange offer is extended, you may also withdraw your tendered securities during the extension period and prior to the new expiration date, which will be publicly announced. If we provide a subsequent offering period, as permitted by applicable law, we will not allow you to withdraw your tendered securities during that subsequent offering period.

Withdrawal Procedures

In order to withdraw your Tamsa securities, you must deliver or cause to be delivered to the exchange agent a timely written or facsimile transmission notice of withdrawal, which must specify the name of the person who tendered the Tamsa securities to be withdrawn, the number of Tamsa securities to be withdrawn and the name of the registered holder if different from that of the person who tendered such Tamsa security. In addition, you must surrender your Tamsa ADSs to the Tamsa depositary and withdraw the underlying deposited Tamsa shares before the expiration date. Otherwise, the Tamsa depositary will automatically tender your Tamsa ADSs into this exchange offer. For more information, see Procedures for Tendering Tamsa Shares and ADSs Tamsa ADSs and Amendment and Termination of the Tamsa Deposit Agreement.

If you tendered your Tamsa securities through an agent and wish to withdraw them, you will need to make arrangements for withdrawal with your agent. Your ability to withdraw the tender of your Tamsa securities will depend upon the terms of the arrangements you have made with your agent and, if your agent is not the entity that tendered your securities, the arrangements between your agent and the entity that tendered your securities, including any arrangements involving intermediaries between your agent and that entity. If you withdraw the tender of your Tamsa securities, you will bear any costs and expenses associated with withdrawing such tender and ensuring that your securities are returned to you and credited to the account from which your securities were transferred.

We will determine all questions as to the validity, including, without limitation, questions with regard to timeliness, of notices of withdrawal in respect of Tamsa securities that have been delivered to the exchange agent, and our determination will be final and binding on the parties. You and your agent bear the risks arising in connection with the procedures for withdrawal, and we disclaim any liabilities or obligations in connection with these risks. Neither we nor the exchange agent will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

Amendment and Termination of the Tamsa Deposit Agreement

In accordance with Section 6.1 of the Tamsa deposit agreement, on May 30, 2003, the holders of Tamsa ADSs were notified that the Tamsa deposit agreement had been amended to provide that each holder of Tamsa ADSs outstanding on the expiration date of this exchange offer who has not tendered such Tamsa ADSs pursuant to this exchange offer will be deemed to have instructed the Tamsa depositary to tender the underlying Tamsa shares into this exchange offer in exchange for the appropriate amount of Tenaris ADSs, and the Tamsa depositary will do so unless instructed otherwise by Tamsa. The amendment to the Tamsa deposit agreement went into effect on June 30, 2003.

In addition, pursuant to the terms of the Tamsa deposit agreement, on August 8, 2003, the holders of Tamsa ADSs were notified that, effective September 12, 2003, the Tamsa deposit agreement will be terminated. As a result of the termination of the deposit agreement relating to the Tamsa ADSs, among other things, registration of transfers of Tamsa ADSs will be discontinued, distribution of dividends will be suspended and the Tamsa depositary will not accept deposits of Tamsa shares for issuance of new Tamsa ADSs.

The Tamsa depositary will not give any further notices or perform any further acts under the Tamsa deposit agreement, except those specifically set forth in Section 6.2 of such deposit agreement.

Following the expiration of this exchange offer and the delivery of Tenaris ADSs to the Tamsa depositary pursuant to this exchange offer, holders of Tamsa ADSs will be entitled to receive one newly issued Tenaris ADS for every 1.8904 Tamsa ADSs tendered, plus cash in lieu of the fractional value of their entitlement, upon surrender by them, by March 12, 2004, of their Tamsa ADSs to the Tamsa depositary and payment of all applicable taxes, duties, fees and expenses and other governmental charges as set forth in the amended deposit agreement relating to the Tamsa ADSs. If you are a holder of Tamsa ADSs, did not take any action in connection with this exchange offer and do not surrender your Tamsa ADS certificates (as described in this paragraph) by March 12, 2004, the Tamsa depositary may sell the Tenaris ADSs held on deposit and hold, without liability for interest, the net proceeds of any such sale in accordance with Section 6.2 of the deposit agreement relating to the Tamsa ADSs. See Part Two Risk Factors Risks Relating to this Exchange Offer If you hold Tamsa ADSs and do not take any action in connection with this exchange offer, you may no longer have an interest in Tamsa or Tenaris.

Holders of Tamsa ADSs who do not intend to tender their Tamsa ADSs in this exchange offer and who do not wish to have their Tamsa ADSs exchanged for Tenaris ADSs, must comply with the following procedures prior to expiration of this exchange offer in order to ensure that their Tamsa ADSs are not exchanged for Tenaris ADSs:

- **deliver Tamsa ADS certificates to the Tamsa depositary for the purpose of withdrawal of the whole number of Tamsa shares evidenced thereby;**

- **pay all taxes, duties and other governmental charges payable in connection with the delivery of Tamsa shares against surrender of Tamsa ADS certificates;** ***and***

- **deliver written instructions directing the Tamsa depositary to cause such whole number of Tamsa shares being withdrawn, to be delivered to, or upon written order of, the person or persons designated in such instructions (it is strongly recommended that such person or persons be made aware of such designation).**

In addition, the Tamsa depositary will charge the holders of Tamsa ADSs standard cancellation fees in connection with the withdrawal of Tamsa shares.

We strongly recommend that all these procedures be complied with no later than 12:00 p.m., New York City time (or 11:00 a.m., Mexico City time) on September 12, 2003, in order to ensure that the underlying deposited Tamsa shares are effectively withdrawn. Failure to effectively withdraw the Tamsa shares underlying the Tamsa ADSs will result in such Tamsa ADSs being tendered into the exchange offer.

See Part Two Risk Factors Risk Relating to this Exchange Offer If you do not exchange your Tamsa shares or ADSs, you will likely no longer have an active trading market for your Tamsa shares or ADSs for a discussion of the rights of holders of Tamsa ADSs who do not participate in this exchange offer and who hold Tamsa shares following the expiration of this exchange offer.

Acceptance and Delivery

Subject to the terms and conditions of this exchange offer and unless we elect to terminate this exchange offer in accordance with its terms, we will accept Tamsa securities validly tendered and not withdrawn promptly after the expiration date. We will accept the tendered securities by delivery of notice to that effect to the exchange agent. Subject to the Exchange Act, the applicable rules of the SEC and the Mexican regulatory authorities, we reserve the right to delay acceptance of the tendered Tamsa shares and ADSs upon the occurrence of any of the conditions set forth in Conditions to Completion of the Exchange Offer.

Tendering your Tamsa securities pursuant to the procedures set forth in Procedures for Tendering Tamsa Shares and ADSs will constitute your acceptance of this exchange offer, upon the terms set forth herein. Our acceptance for exchange of the securities tendered in this exchange offer will constitute a binding agreement between us and the tendering holder upon the terms and subject to the conditions of this exchange offer.

If any tendered Tamsa securities are not accepted because of an invalid tender or because we do not accept any securities for exchange, the tendered and unaccepted securities will be returned by the exchange agent to the DTC or Indeval participant who previously delivered those securities to the

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exchange agent, without expense, but at the risk of the tendering holder. The return of your tendered and unaccepted Tamsa securities by the Indeval or DTC participant to your account is subject to the arrangements between you and your agent and the arrangements between your agent and that participant, including any arrangements involving intermediaries between your agent and that participant. We disclaim any liabilities or obligations in connection with those arrangements.

Subject to the terms and conditions of this exchange offer, the exchange agent shall, in exchange for validly tendered Tamsa securities, deliver the whole number of new securities promptly, in accordance with market practice, after announcement of the results of the exchange offer. The exchange agent shall deliver our ADSs by book-entry transfer to the accounts of the participants in DTC who tendered those Tamsa ADSs pursuant to this exchange offer.

We will pay, or cause to be paid, all security transfer taxes, if any, with respect to the issuance of Tenaris ADSs pursuant to this exchange offer, unless the holder tendering old securities differs from the person receiving new securities in exchange therefor or if a transfer tax is imposed for any reason other than the issuance of new securities pursuant to this exchange offer, in which case the transferor will need to pay the amount of any transfer taxes.

Return of Tendered Securities

In case we terminate this exchange offer pursuant to the terms and conditions of this exchange offer and, as a result, we do not accept your Tamsa securities for exchange, we will cause your:

Tamsa ADSs tendered in book-entry form to be credited to the DTC account of your agent; *and*

Tamsa ADSs tendered in certificated form to be returned to you.

Because Tamsa will terminate the Tamsa deposit agreement effective on September 12, 2003, any Tamsa ADSs returned to you upon termination of this exchange offer may no longer remain in the form of Tamsa ADSs, and you will be required to deliver written instructions directing the Tamsa depositary to cause the Tamsa shares underlying your Tamsa ADSs to be delivered to, or upon the written order of, the person or persons designated in such instructions.

Consideration

If, prior to the expiration date, we increase the consideration offered to any holder of Tamsa securities, then we will pay the increased consideration to all holders of those securities whose securities are exchanged in this exchange offer, whether or not the tendered securities were tendered prior to the announcement of the increase in consideration.

Interests of Related Persons in the Exchange Offer

We and our subsidiaries and affiliates have significant holdings of Tamsa shares. As of July 31, 2003, we owned, directly or indirectly, 94.44% of Tamsa s total outstanding capital stock.

Fees and Expenses

We will pay certain fees and expenses incurred in connection with this exchange offer. Estimated fees and expenses incurred or to be incurred by us in connection with this transaction (which include, among other things, legal and auditing fees, exchange agent fees, and listing fees) are approximately USD1.5 million.

We may also pay certain fees or commissions to brokers, dealers, commercial banks and trust companies in connection with the solicitation of Tamsa shareholders pursuant to the transaction and, upon request, we will reimburse such brokers, dealers, commercial banks and trust companies for reasonable and customary costs and expenses incurred by them in forwarding materials to their customers.

Brokerage Commissions

You do not have to pay any brokerage fees or commissions as long as you have your Tamsa shares or ADSs registered in your name and tender them directly to the exchange agent. If your Tamsa shares or ADSs are held through your bank or broker, you should consult with them as to whether or not they charge any transaction fees or service charges.

Stock Exchanges

Tenaris s ADSs are listed on the NYSE, and Tenaris s ordinary shares are listed on the Buenos Aires Stock Exchange, the Mexican Stock Exchange and the Milan Stock Exchange.

Tamsa s common shares are listed on the Mexican Stock Exchange and Tamsa s ADSs are listed on the AMEX. Under Mexican law, because we acquired more than 88% of Tamsa s outstanding share capital in a previous public exchange offer, Tenaris and Tamsa are required to cause the delisting of Tamsa from the Mexican Stock Exchange and, in connection with the delisting, to establish a fiduciary account in Mexico with a term of at least six months and allocate to that fiduciary account the number of Tenaris shares necessary to acquire any remaining shares of Tamsa for the same consideration offered in the previous exchange offer. Accordingly, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003, and Tamsa will terminate the deposit agreement relating to Tamsa s ADSs, effective September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

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Material Tax Considerations

General

The following discussion is a summary of certain material U.S. federal income, Luxembourg and Mexican tax consequences to you of participating in this exchange offer and of the ownership and disposition of Tenaris shares and ADSs that you receive in this exchange offer. This discussion is the opinion of Sullivan & Cromwell LLP insofar as it relates to matters of U.S. federal income tax law, the opinion of Elvinger, Hoss & Prussen insofar as it relates to matters of Luxembourg tax law, and the opinion of Chevez, Ruiz, Zamarripa y Cía. S.C. insofar as it relates to matters of Mexican tax law.

The following discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to exchange your Tamsa shares or ADSs for Tenaris ADSs. The discussion is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, the tax laws of Luxembourg and Mexico as currently in effect, as well as on the Income Tax Treaty between Luxembourg and the United States and the Mexican-U.S. treaties for the avoidance of double taxation, all as currently in effect and all subject to change at any time, perhaps with retroactive effect. This discussion is also based in part on the representations by the depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

If you are a holder of Tamsa shares or ADSs, you should consult your own tax advisor as to the tax consequences of the exchange of Tamsa shares or ADSs and of the ownership and disposition of Tenaris shares or ADSs in light of your particular situation.

U.S. Tax Consequences

The discussion relating to U.S. tax consequences only applies to you if you are a U.S. holder, as defined below, and you acquire your Tenaris ADSs in this exchange offer and hold your Tenaris ADSs as capital assets for United States federal income tax purposes.

This discussion does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a tax-exempt organization;
- a life insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of the voting stock of Tenaris;
- a person that holds shares or ADSs as part of a hedging or straddle or conversion transaction; *or*
- a person whose functional currency is not the U.S. dollar.

You are a U.S. holder if you are a beneficial owner of our shares or ADSs, Tamsa shares or ADSs and you are:

- a citizen or resident of the United States;

- a domestic corporation;
- an estate whose income is subject to United States federal income tax regardless of its source; *or*
- a trust if a United States court can exercise primary supervision over the trust s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

This discussion addresses only United States federal income taxation; the effect of any applicable United States state or local tax laws is not discussed herein.

For U.S. federal income tax purposes, if you hold ADRs evidencing ADSs you will be treated as the owner of the underlying shares represented by those ADRs, and exchanges of shares for ADRs, and ADRs for shares, will not be subject to United States federal income tax.

Exchange of Tamsa Shares or ADSs for Tenaris ADSs

The following assumes that Tamsa is not now, and has not at any time during your holding period been, a passive foreign investment company, or PFIC. See the discussion below under PFIC Rules.

If you are a U.S. holder who exchanges your Tamsa shares or ADSs for Tenaris ADSs pursuant to the exchange offer you will recognize capital gain or loss equal to the difference between:

- the sum of (A) the fair market value (in U.S. dollars) of the Tenaris ADSs you receive in the exchange offer plus (B) any cash received in lieu of a fractional interest in shares or ADSs; *and*
- your tax basis in your Tamsa shares or ADSs.

Such capital gain or loss will be long-term capital gain or loss if, at the time of the exchange, your holding period for your Tamsa shares or ADSs exceeds one year. Long-term capital gain of a non-corporate U.S. holder that is recognized before January 1, 2009 is generally taxed at a maximum rate of 15%. Your tax basis in Tenaris ADSs received pursuant to the exchange offer will be the fair market value (in U.S. dollars) of those ADSs on the date you receive them. Your holding period for Tenaris ADSs received pursuant to the exchange offer will begin on the day after you receive such ADSs.

Ownership and Disposition of Tenaris Shares or ADSs

Dividends

Subject to the PFIC rules discussed below, if you are a U.S. holder the gross amount of any dividend paid by us out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) is subject to United States federal taxation. If you are a non-corporate U.S. holder, dividends paid to you in taxable years before January 1, 2009 that constitute qualified dividend income will be taxable to you at a maximum tax rate of 15% provided that you hold the shares or ADSs for more than 60 days during the 120-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends we pay with respect to the shares or ADSs generally will be qualified dividend income. The dividend is taxable to you when you, in the case of shares, or the depositary, in the case of ADSs, receive the dividend, either actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Distributions in excess of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the ADSs or shares and thereafter as capital gain.

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The amount of the dividend distribution that you must include in your income, if paid in currency other than the U.S. dollar, will be the U.S. dollar value of the foreign currency payments made, determined at the spot foreign currency/ U.S. dollar rate on the date such dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

For foreign tax credit purposes, the dividend will be income from sources outside the United States, but generally will be passive income or financial services income which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% tax rate. No U.S. foreign tax credit will be allowed to U.S. holders of shares or ADSs in respect of any personal property or similar tax imposed by Luxembourg (or any taxing authority thereof or therein).

Distributions of additional shares to U.S. holders with respect to their shares or ADSs that are made as part of a pro rata distribution to all our shareholders generally will not be subject to U.S. federal income tax.

Taxation of Capital Gain

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your shares or ADSs, you will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized and your tax basis (determined in U.S. dollars) in such shares or ADSs. Generally such gain or loss will be long-term capital gain or loss if your holding period for such shares or ADSs exceeds one year. Long-term capital gain of a non-corporate U.S. holder that is recognized before January 1, 2009 is generally subject to a maximum tax rate of 15%. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

PFIC Rules

We believe that, as of the date of this prospectus, Tamsa shares and ADSs should not be treated as stock of a PFIC for U.S. federal income tax purposes. We believe that our shares and ADSs should not be treated as stock of a PFIC for U.S. federal income tax purposes, but this conclusion is a factual determination made annually and thus may be subject to change.

In general, if you are a U.S. holder we will be a PFIC with respect to you if, for any taxable year in which you held our ADSs or shares:

- at least 75% of our gross income for the taxable year is passive income; *or*

- at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its

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proportionate share of the other corporation s assets, and as receiving directly its proportionate share of the other corporation s income.

If you are a U.S. holder that did not make a mark-to-market election and we are treated as a PFIC, you would be subject to special rules with respect to:

any gain realized on the sale or other disposition of our shares or ADSs; *and*

any excess distribution that we make to you (generally, any distributions to you during a single taxable year that are greater than 125% of the average annual distributions received by you in respect of the shares or ADSs during the three preceding taxable years or, if shorter, your holding period for the shares or ADSs).

Under these rules:

the gain or excess distribution would be allocated ratably over your holding period for our shares or ADSs;

the amount allocated to the taxable year in which the gain or excess distribution was realized would be taxable as ordinary income;

the amount allocated to each prior year, with certain exceptions, would be subject to tax as ordinary income at the highest applicable tax rate in effect for that year; *and*

the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax attributable to each such year.

If you own shares in a PFIC that are treated as marketable stock, you may also make a mark-to-market election. Although stock traded on a qualified foreign exchange may be considered marketable stock, the United States Internal Revenue Service has not yet identified specific foreign exchanges that are qualified for this purpose. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your shares or ADSs at the end of the taxable year over your adjusted basis in your shares or ADSs. These amounts of ordinary income will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your shares or ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the shares or ADSs will be adjusted to reflect any such income or loss amounts.

In addition, notwithstanding any election you make with regard to the shares or ADSs, dividends that you receive from us will not constitute qualified dividend income to you if we are a PFIC either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the 15% maximum rate applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by us out of our accumulated earnings and profits (as determined for United States federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you are a U.S. holder who owns our shares or ADSs during any year that we are a PFIC, you must file Internal Revenue Service Form 8621.

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Backup Withholding and Information Reporting

If you are a non-corporate U.S. holder, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to:

- dividend payments or other taxable distributions made to you by a U.S. paying agent or other U.S. intermediary, or otherwise within the United States; *and*
- the payment of proceeds to you from the sale of shares or ADSs effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you:

- fail to provide an accurate taxpayer identification number;
- are notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns; *or*
- in certain circumstances, fail to comply with applicable certification requirements.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the United States Internal Revenue Service.

Luxembourg Tax Consequences

Tax Consequences for the Company

Tax Treatment of the Company

We were incorporated in Luxembourg as a holding company according to the law of July 31, 1929.

Because our share capital exceeds 24 million, we qualify and have opted for the special status of a billionaire holding company as provided in the grand-ducal decree of December 17, 1938.

As a billionaire holding company, for as long as we meet the conditions set forth in the law of July 31, 1929, we are not subject to corporate income tax, municipal business tax, net wealth tax or capital gains tax in Luxembourg, nor to withholding tax on dividends.

We are, however, subject to a special tax in Luxembourg assessed on the basis of the amount of dividends distributed by us, interest paid to holders of bonds and other securities and certain fees paid to non-resident directors (or statutory auditors or liquidators). This tax is calculated as follows:

- Where the total interest paid each year to holders of bonds and other comparable securities amounts to or exceeds 2.4 million:
  - 3% on interest paid to holders of bonds and other similar securities;
  - 1.8% on dividends, profit quotas and remunerations on the first 1.2 million; *and*
  - 0.1% on any surplus dividends, profit quotas and remunerations.
- Where the total interest paid each year to holders of bonds and other comparable securities is less than 2.4 million:
  - 3% on interest paid to holders of bonds and other securities;
  - 3% on dividends, profit quotas and remuneration, up to a maximum amount corresponding to the difference between 2.4 million and the total interest paid to holders of bonds and on other comparable negotiable securities;

1.8% on any surplus dividends, profit quotas and remunerations on the first 1.2 million; *and*

0.1% on any surplus dividends, profit quotas and remunerations.

As a billionaire holding company, we will in all cases be subject to a minimum annual flat tax of 48,000.

Increase in the Company s Capital

The exchange of Tamsa shares or ADSs and other assets for Tenaris shares or ADSs will result in an increase in our capital. The amount of the capital increase will be subject to a 1% tax on the value of such contribution payable by us under Luxembourg law of December 29, 1971 on capital duty, as amended.

Ownership and Disposition of Tenaris Shares or ADSs

Holders of Tenaris shares or ADSs will not be subject to Luxembourg income tax, wealth tax or capital gains tax in respect of those shares or ADSs, except for individuals resident (or, in certain circumstances, formerly resident) in Luxembourg, entities organized in Luxembourg or entities domiciled or having a permanent establishment in Luxembourg. For purposes of Luxembourg tax law, you are deemed to be an individual resident in Luxembourg, subject to treaty provisions, if you have your domicile or your usual place of residence in Luxembourg.

Non-resident holders of Tenaris shares or ADSs are not subject to Luxembourg income tax, wealth tax or capital gains tax in respect of those shares or ADSs, provided, however, that a non-resident holder will be subject to Luxembourg tax on capital gains derived from the disposition of Tenaris shares or ADSs held for six months or less if such non-resident holder has owned alone, or together with his spouse or minor children, directly or indirectly at any point in time within the five year term preceding the disposition, more than 10% of our share capital.

No inheritance tax is payable by a holder of Tenaris shares or ADSs except if the deceased holder was a resident of Luxembourg at the time of death.

There is no Luxembourg transfer or stamp tax on the purchase or disposition of Tenaris shares or ADSs.

Mexican Tax Consequences

This discussion relating to Mexican tax consequences only applies to you if you are a resident of Mexico. If you are a Mexican citizen, you are presumed to be a resident in Mexico for tax purposes unless you prove otherwise. If you are a non-Mexican citizen with a permanent residence in Mexico, you are a resident in Mexico for tax purposes, unless you have resided 184 days or more in any calendar year period in another country, and you have obtained residence for tax purposes in such country. A company is considered a resident of Mexico if it was organized under Mexican law or if its principal executive offices or its headquarters are located in Mexico.

Exchange of Tamsa Shares or ADSs for Tenaris ADSs

Tamsa s shares are listed on the Mexican Stock Exchange and Tamsa s ADSs are listed on the AMEX. As discussed above, however, Tenaris and Tamsa are required under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange. Accordingly, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law.

If you are a Mexican individual or a non-Mexican individual or company, any gain you realize from the exchange of Tamsa shares for Tenaris ADSs will be exempt from income tax:

if such exchange is conducted through the Mexican Stock Exchange or another recognized market, such as the AMEX; *or*

if the Tamsa shares or ADSs being exchanged were acquired through the Mexican Stock Exchange or another recognized market, including the AMEX, while such shares or ADSs were listed.

If you are a company organized in Mexico, or if your principal executive offices or your headquarters are located in Mexico, any gain you realize from the exchange of Tamsa shares or ADSs for Tenaris ADSs will be subject to income tax at the corporate tax rate applicable to you. Upon application to the Mexican tax authorities, a Mexican company that participates in the exchange may be permitted to assign the same tax basis in Tenaris ADSs as it had in the Tamsa shares or ADSs.

In general terms, the taxable capital gain (loss) is determined by adding the fair market value of Tenaris ADSs received pursuant to the exchange and any cash received, and deducting the tax basis for the Tamsa shares or ADSs tendered in the exchange. For Mexican tax purposes, the fair market value of Tenaris ADSs received pursuant to the exchange will be determined by the exchange ratio as of the closing of this exchange offer.

Losses arising from the exchange can be offset only against the same type of income (i.e., income derived from the sale, exchange or other disposition of shares or ADSs), provided that certain other requirements are met.

Ownership and Disposition of Tenaris Shares or ADSs

The tax treaty between Mexico and Luxembourg does not apply to dividends paid by us or to the disposition of Tenaris shares or ADSs because we are not considered to be resident in Luxembourg for the purposes of that treaty as a result of our status as a tax exempt entity under Luxembourg law.

Taxation of Dividends

If you are a Mexican resident (individual or company), dividends paid to you on Tenaris shares or ADSs (whether paid in cash, property or other equity securities) are required to be included in your income and will be subject to tax at the individual or corporate rate applicable to you.

The amount of the dividend distribution that you must include in your income, if paid in a currency other than Mexican pesos, will be the Mexican peso value of the foreign currency payment made, determined at the spot foreign currency/ Mexican peso rate on the date such dividend distribution must be included in your income, regardless of whether the payment is in fact converted into Mexican pesos.

Individuals are allowed a credit for any taxes withheld by us. Mexican companies are allowed a credit for any taxes withheld by us and any corporate taxes paid by us or by any of our direct subsidiaries in another jurisdiction with which Mexico has entered into a treaty regarding exchange of tax information, if those companies owned, during the six-month period preceding the relevant dividend payment date, either a direct interest of no less than 10% in our capital stock (in the case of a tax withheld or paid by us) or an indirect interest of no less than 5% in the respective subsidiary s capital stock (in the case of a tax paid by that direct subsidiary).

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Assets Tax

Mexican companies subject to Mexican income tax are also subject to Mexican assets tax at the rate of 1.8% on the company s net assets. Because these two taxes are creditable against each other, Mexican companies are effectively subject to the higher of the two taxes. Tenaris shares and ADSs must be included in the assets tax basis.

Taxation of Capital Gains

If you are a Mexican individual or a non-Mexican individual or company, any gain you realize from the sale, exchange or other disposition of Tenaris shares or ADSs will be exempt from income tax if such sale, exchange or other disposition is conducted through the Mexican Stock Exchange or through another recognized market, such as the NYSE.

If you are a company organized in Mexico, or if your principal executive offices or your headquarters are located in Mexico, any gain you realize from the sale, exchange or other disposition of Tenaris shares or ADSs will be subject to income tax at the corporate tax rate applicable to you as discussed above.

Value Added Tax

The sale, exchange or other disposition of Tenaris shares or ADSs is exempt from value added tax in Mexico.

Inheritance Tax

There is no Mexican inheritance tax applicable to the transfer of Tenaris shares by hereditary succession.

Other Taxes

Mexico imposes no additional taxes on the ownership, transfer, exchange or disposition of Tenaris shares or ADSs. In addition, Mexico imposes no tax or fee to stamp, seal, issue or register Tenaris shares or ADSs.

Market Price and Dividends

Market Price

Tenaris Shares and ADSs

Our shares are listed on the Buenos Aires Stock Exchange, the Mexican Stock Exchange and our ADSs are listed on the NYSE under the symbol TS. Our shares are listed on the Milan Stock Exchange under the symbol TEN. Trading on the NYSE, the Buenos Aires Stock Exchange and the Mexican Stock Exchange began on December 16, 2002, while trading on the Milan Stock Exchange began on December 17, 2002.

As of July 31, 2003, a total of 1,160,700,794 shares were registered in the Tenaris shareholders register. As of July 31, 2003, a total of 197,947,420 shares were registered in the name of the depositary for our ADR program. On August 6, 2003, the closing sales price for Tenaris shares on the Buenos Aires Stock Exchange was ARP7.51, on the Mexican Stock Exchange was MXP27.00, and on the Milan Stock Exchange was 2.19.

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New York Stock Exchange

As of July 31, 2003, a total of 19,794,742 Tenaris ADSs were registered of record. Each Tenaris ADS represents 10 Tenaris shares. JPMorgan Chase, as successor to Morgan Guaranty Trust Company of New York, or Morgan Guaranty, acts as Tenaris s depositary for issuing ADRs evidencing the Tenaris ADSs. Fluctuations between the Argentine peso and the U.S. dollar will affect the U.S. dollar equivalent of the price of the shares on the Buenos Aires Stock Exchange and the price of the ADSs on the NYSE. Fluctuations between the Mexican peso and the U.S. dollar will affect the U.S. dollar equivalent of the price of the shares on the Mexican Stock Exchange and the price of the ADSs on the NYSE. Fluctuations between the Euro and the U.S. dollar will affect the U.S. dollar equivalent of the price of the shares on the Milan Stock Exchange and the price of the ADSs on the NYSE. On August 6, 2003, the closing price of the Tenaris ADSs on the NYSE was USD25.25.

	Price per ADS	
	High	**Low**
2003		
First quarter	22.95	19.30
Second quarter	25.81	21.85

	Price per ADS	
	High	**Low**
Last Six Months		
February 2003	22.39	20.21
March 2003	22.70	21.20
April 2003	24.28	21.85
May 2003	24.31	22.24
June 2003	25.81	22.85
July 2003	26.20	25.33

Buenos Aires Stock Exchange

Set forth in the following table are reported high and low trade prices (in nominal Argentine pesos per share) of Tenaris s shares on the Buenos Aires Stock Exchange for the stated periods.

	Price per Share	
	High	**Low**
2003		
First quarter	7.70	6.45
Second quarter	7.34	6.35

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	Price per Share	
	High	Low
Last Six Months		
February 2003	7.49	6.45
March 2003	7.35	6.70
April 2003	7.13	6.40
May 2003	6.80	6.35
June 2003	7.34	6.48
July 2003	7.50	7.13

The Buenos Aires Stock Market, which is affiliated with the Buenos Aires Stock Exchange, is the largest stock market in Argentina. The Buenos Aires Stock Market is a corporation whose approximately 176 shareholder members are the only individuals and entities authorized to trade in securities listed on the Buenos Aires Stock Exchange. Trading on the Buenos Aires Stock Exchange is conducted by continuous open outcry from 12:00 P.M. to 5:00 P.M. each business day. The Buenos Aires Stock Exchange also operates a continuous market system from 9:30 A.M. to 6:00 P.M. each business day, on which privately arranged trades are registered and made public.

Although the Buenos Aires Stock Exchange is one of Latin America s largest securities exchanges in terms of market capitalization, it remains relatively small and illiquid compared to major world markets and, therefore, subject to greater volatility. To control price volatility in the Buenos Aires Stock Exchange, the Buenos Aires Stock Market operates a system which suspends dealing in shares of a particular issuer for one half-hour when the price of the issuer s shares increases or decreases by 10% relative to that day s opening price and for the remainder of the day when the price increases or decreases by 15% relative to that day s opening price. Investors in the Argentine securities market are mostly individuals, mutual and pension funds and companies. However, institutional investors, consisting of a limited number of mutual funds, represent a growing percentage of trading activity. The Argentine Congress passed amendments to the social security laws, effective July 1, 1994, which partially privatized the government social security system and have increased substantially the assets of Argentine institutional pension funds and the volume of trading on the Buenos Aires Stock Exchange. In addition, pursuant to amendments to the social security laws, Argentine institutional pension funds may now invest in securities issued in connection with initial public offerings.

The information regarding the Argentine equities market set forth in the following table was obtained from the Buenos Aires Stock Exchange.

	Argentine Equities Market[1]				
	2002	2001	2000	1999	1998
Market capitalization (U.S. dollars in billions)[2]	103.3	192.50	165.80	83.88	45.29
Average daily trading volume (U.S. dollars in millions)[3]	17.8	17.35	24.11	36.96	105.00
Number of listed companies	114	119	125	125	131

(1) At December 31 for each year shown.

(2) End-of-period figures for shares traded on the Buenos Aires Stock Exchange.
(3) Including trading of equity on the Buenos Aires Stock Exchange.

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Mexican Stock Exchange

Set forth in the following table are reported high and low trade prices (in nominal Mexican pesos per share) of Tenaris s shares on the Mexican Stock Exchange for the stated periods.

	Price per Share	
	High	**Low**
2003		
First quarter	25.50	19.81
Second quarter	27.30	22.50

	Price per Share	
	High	**Low**
Last Six Months		
February 2003	24.70	22.00
March 2003	25.50	23.22
April 2003	25.70	23.35
May 2003	24.63	22.50
June 2003	27.30	22.65
July 2003	27.50	26.49

The Mexican Stock Exchange is the only stock exchange in Mexico. It is organized as a corporation whose shareholders are the only entities authorized to trade in securities listed on the Exchange. Trading on the Mexican Stock Exchange is conducted electronically from 8:30 A.M. to 3:00 P.M. each business day.

Although the Mexican Stock Exchange is one of Latin America s largest securities exchanges in terms of market capitalization, it remains relatively small and illiquid compared to major world markets, and, therefore, subject to greater volatility. Investors in the Mexican Securities Market are mostly individuals, mutual and pension funds and companies.

The information regarding the Mexican equities market set forth in the following table was obtained from the Mexican Stock Exchange.

	Mexican Equities Market[1]				
	2002	**2001**	**2000**	**1999**	**1998**
Market capitalization (U.S. dollars in billions)[2]	104.65	126.62	125.68	153.49	91.98
Average daily trading volume (U.S. dollars in millions)[3]	105.87	150.94	165.05	137.80	121.91
Number of listed companies	169	172	177	190	195

(1) At December 31 for each year shown.

(2) End-of-period figures for shares traded on the Mexican Stock Exchange.
(3) Including trading of equity on the Mexican Stock Exchange.

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Milan Stock Exchange

Set forth in the following table are reported high and low trade prices (in Euros per share) of Tenaris s shares on the Milan Stock Exchange for the stated periods.

	Price per Share	
	High	Low
2003		
First quarter	2.16	1.79
Second quarter	2.24	1.90

	Price per Share	
	High	Low
Last Six Months		
February 2003	2.07	1.81
March 2003	2.07	1.91
April 2003	2.18	2.00
May 2003	2.14	1.90
June 2003	2.24	1.93
July 2003	2.32	2.17

The information regarding the Italian equities market set forth in the following table was obtained from the Milan Stock Exchange.

	Italian Equities Market[1]				
	2002	2001	2000	1999	1998
Market capitalization (U.S. dollars in billions)[2]	480.23	526.85	771.51	731.10	566.08
Average daily trading volume (U.S. dollars in millions)[3]	2,637.10	2,249.14	3,127.16	2,110.65	1,863.99
Number of listed companies	295	294	297	270	243

(1) At December 31 for each year shown.

(2) End-of-period figures for shares traded on the Milan Stock Exchange.
(3) Including trading of equity on the Milan Stock Exchange.

Tamsa Shares and ADSs

Tamsa s shares are listed on the Mexican Stock Exchange and its ADSs are listed on the AMEX.

Mexican Stock Exchange

Until December 13, 2002, the principal trading market for Tamsa s shares was the Mexican Stock Exchange. Although Tamsa s shares continue to be listed on the Mexican Stock Exchange, following the announcement of the results of our previous exchange offer, there have been no transactions with respect to Tamsa s shares on the Mexican Stock Exchange. Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003.

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Set forth in the following table are reported high and low trade prices (in nominal Mexican pesos per share) of Tamsa s shares on the Mexican Stock Exchange for the stated periods. For comparative purposes only, the amounts shown below have been adjusted retroactively to reflect the stock split that occurred in July 2001.

	Price per Share	
	High	**Low**
20031		
First quarter	16.50	16.50
Second quarter	16.50	16.50
2002		
First quarter	19.52	15.91
Second quarter	20.50	17.50
Third quarter	19.45	16.15
Fourth quarter[1]	19.80	16.50
2001		
First quarter	31.00	20.64
Second quarter	25.00	19.80
Third quarter	24.10	17.20
Fourth quarter	20.80	14.35
2000		
First quarter	31.60	23.80
Second quarter	30.80	22.57
Third quarter	32.70	25.82
Fourth quarter	31.98	23.46
1999		
First quarter	17.32	12.36
Second quarter	22.80	16.72
Third quarter	23.60	17.40
Fourth quarter	26.66	20.00
1998		
First quarter	34.78	25.60
Second quarter	31.50	23.00
Third quarter	24.60	9.40
Fourth quarter	19.60	12.80

	Price per Share	
	High	Low
Last Six Months[1]		
February 2003	16.50	16.50
March 2003	16.50	16.50
April 2003	16.50	16.50
May 2003	16.50	16.50
June 2003	16.50	16.50
July 2003	16.50	16.50

(1) Following the announcement on December 16, 2002, of the results of our previous exchange offer, there have been no transactions with respect to Tamsa s shares on the Mexican Stock Exchange.

On December 13, 2002, the last full trading day on which Tamsa s shares were traded on the Mexican Stock Exchange, the closing sales price for Tamsa s shares was MXP16.50. As of July 31, 2003, there were 339,284,120 issued and outstanding shares of common stock of Tamsa, including 18,513,280 shares deposited with *Banco Nacional de México, S.A.*, *Institución de Banca Múltiple, Grupo Financiero Banamex Accival,* or Banamex, as agent for JPMorgan Chase (as successor to Morgan Guaranty), or the depositary, as depositary under the Deposit Agreement dated January 1, 1964 as amended and restated as of June 1, 1991, October 15, 1991, July 1, 1993 and September 12, 1996 and amended as of July 9, 2001 and May 28, 2003 among Tamsa, the depositary and all holders from time to time of Tamsa s ADSs.

On March 31, 2003, Tenaris announced that it intends to cause the delisting of Tamsa from the Mexican Stock Exchange and the American Stock Exchange, the termination of Tamsa s ADR facility and, if and when appropriate, the termination of Tamsa s registration with the SEC. Tenaris also announced that, subject to the approvals of the U.S. and Mexican Securities regulators, it intends to effect an exchange of its shares and ADSs for any Tamsa shares and ADSs not held by Tenaris or its affiliates in accordance with Mexican and U.S. laws. Tenaris stated that it did not expect to obtain the requisite approvals, and consequently be in a position to propose any exchange of shares and ADSs, prior to June 2003. On April 30, 2003, Tamsa s shareholders meeting gave the requisite approvals to effect such exchange. Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003.

As of July 31, 2003, 320,414,223 shares of common stock (representing 94.44% of the total capital stock of Tamsa) had been registered with the National Foreign Investment Registry maintained by the *Secretaría de Comercio y Fomento Industrial,* or SECON (now called *Secretaría de Economía*), as being owned directly or indirectly by the Company. These amounts exclude 3,650,000 shares for 1999, 2000, 2001 and 2002, which were held in treasury in 2002 and held in 1999, 2000 and 2001 by a wholly-owned subsidiary of Tamsa.

Tamsa is a 49.0% shareholder of Sidtam, a limited liability company organized under the laws of the British Virgin Islands. Siderca holds the remaining 51.0% of the capital stock of Sidtam. The purpose of Tamsa s investment in Sidtam is to participate in different types of investment projects, including, among others, the purchase of shares of Tamsa. Tamsa s board of directors has authorized a capital contribution to Sidtam in an amount sufficient for Tamsa to participate proportionately in the purchase by Sidtam of 2,000,000 shares of Tamsa s capital stock. As of December 31, 2002, Sidtam held 9,700,000 shares of Tamsa.

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On March 2, 2001, Tamsa s board of directors proposed a five-for-one stock split. Tamsa s shareholders approved at the extraordinary shareholders meeting held on April 27, 2001, the five-for one stock split effective as of July 10, 2001. As a result, holders received five shares for each share held by them. Additionally, a modification of the ratio of ADSs to shares, from one ADS for each share to one ADS for each five shares, was approved. The increase in the number of shares issued and outstanding did not modify the capital stock. Tamsa issued 342,934,120 shares in exchange for the then outstanding 68,586,824 shares. New shares issued as a result of the stock split have the same rights as the shares then issued and outstanding.

American Stock Exchange

As of July 31, 2003, a total of 3,702,656 ADSs were registered of record. Each ADS represents five shares of common stock of Tamsa. JPMorgan Chase, as successor to Morgan Guaranty, acts as depositary for issuing ADRs evidencing the ADSs. Fluctuations between the Mexican peso and the U.S. dollar will affect the U.S. dollar equivalent of the price of the shares on the Mexican Stock Exchange and the price of the ADSs on the AMEX. On August 6, 2003, the closing price of the Tamsa ADSs on the AMEX was USD13.20.

	Price per ADS	
	High	**Low**
2003		
First quarter	11.40	9.65
Second quarter	13.38	10.70
2002		
First quarter	10.70	8.65
Second quarter	11.00	9.20
Third quarter	9.95	8.25
Fourth quarter	9.76	8.38
2001		
First quarter	16.25	10.80
Second quarter	13.89	10.01
Third quarter	13.25	9.00
Fourth quarter	11.25	7.85
2000		
First quarter	16.88	12.38
Second quarter	16.38	12.19
Third quarter	17.44	13.69
Fourth quarter	16.94	12.57
1999		
First quarter	9.00	6.00
Second quarter	12.44	8.56
Third quarter	12.56	9.13
Fourth quarter	14.38	10.44

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	Price per ADS	
	High	Low
1998		
First quarter	21.13	15.31
Second quarter	19.00	12.19
Third quarter	13.63	4.50
Fourth quarter	9.88	6.38

	Price per ADS	
Last Six Months	High	Low
February 2003	10.95	10.50
March 2003	11.40	10.45
April 2003	12.30	10.70
May 2003	12.61	11.00
June 2003	13.38	11.20
July 2003	13.70	13.15

Dividends

Tenaris

We do not have, and have no current plans to establish, a formal dividend policy governing the amount and payment of dividends. The amount and payment of dividends will be determined by a majority vote of Tenaris s shareholders, generally, but not necessarily, based on the recommendation of our board of directors. Our controlling shareholder has the discretion to determine the amount and payment of future dividends. All shares of our capital stock rank *pari passu* with respect to the payment of dividends.

On August 27, 2002, we distributed to Tenaris s shareholders an interim cash dividend of USD9.3 million, which equals the amount of the dividend we received on August 5, 2002, from Siderca. Under Luxembourg law, interim dividend distributions must be ratified by the Company s annual shareholders meeting. On May 28, 2003, our general shareholders meeting ratified an interim cash dividend paid on August 27, 2002, and approved a cash dividend in the amount of USD115.0 million (USD0.10 per share and USD0.99 per ADS), which was paid on June 23, 2003, from the Company s other distributable reserve account of USD206.7 million.

We conduct and will continue to conduct all of our operations through subsidiaries and, accordingly, our main source of cash to pay dividends will be the dividends received from our subsidiaries. See Part Two Risk Factors Risks Relating to Tenaris s Business Our ability to pay cash dividends depends on the results of operations and financial condition of our subsidiaries and may be restricted by legal, contractual or other limitations. These dividend payments will likely depend on the subsidiaries results of operations, financial condition, cash and capital requirements, future growth prospects and other factors deemed relevant by their respective boards of directors, as well as on any applicable legal restrictions.

Dividends may be lawfully declared and paid if our profits and distributable reserves are sufficient under Luxembourg law. The board of directors has power to initiate dividend installments pursuant to

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Luxembourg law, but payment of the dividends must be approved by our shareholders at the annual shareholders meeting, subject to the approval of our annual accounts.

Under Luxembourg law, at least 5% of our net profits per year must be allocated to the creation of a legal reserve until such reserve has reached an amount equal to 10% of our share capital. If the legal reserve later falls below the 10% threshold, at least 5% of net profits again must be allocated toward the reserve. The legal reserve is not available for distribution. At December 31, 2002, our legal reserve represented 10% of our share capital.

Tamsa

Tamsa does not have a formal policy governing the amount and payment of dividends. The amount and payment of dividends are determined by majority vote of the shareholders of Tamsa, generally, but not necessarily, on the recommendation of Tamsa s board of directors. Since we beneficially owned 94.44% of the capital stock of Tamsa as of July 31, 2003, we effectively have and will continue to effectively have the discretion to determine the amount and payment of future dividends. The payment of future dividends will also depend on Tamsa s earnings, financial condition and other factors, including the requirements of Mexican law. All shares of Tamsa s capital stock rank *pari passu* with respect to the payment of dividends.

Tamsa declared and paid dividends as follows:

Fiscal year 2002: USD29.7 million (or USD0.08748 per share, at the exchange rate of MXP11.0584 per dollar). This amount was paid on May 15, 2003, in cash.

Fiscal year 2001: USD30 million (or USD0.08748 per share, after the stock split, at the exchange rate of MXP9.1182 per dollar). This amount was paid on May 31, 2002, in cash.

Fiscal year 2000: USD30 million (or USD0.4374 per share at the exchange rate of MXP9.7025 per dollar). This amount was paid on May 31, 2001, in cash.

In addition, on April 30, 2003, Tamsa s shareholders meeting approved the creation of a reserve for future dividends in the amount of USD70 million and delegated to Tamsa s board of directors the power to declare and pay any dividends against this reserve, unless otherwise resolved by a subsequent shareholders meeting. No assurances are given as to if or when such dividends will be declared or paid.

The board of directors submits the consolidated financial statements of Tamsa for the preceding fiscal year, together with reports thereon by the statutory auditor, to the annual ordinary shareholders meeting for approval. Holders of Tamsa s ADSs are entitled to vote at any shareholders meeting that may resolve on the payment of dividends, except that if Tamsa does not provide the depositary with the necessary voting materials on a timely basis, such holders of ADSs might not be able to exercise their voting rights. Tamsa has never failed to provide voting materials on a timely basis. On or before April 30 of each fiscal year, an ordinary shareholders meeting must be held to approve the consolidated financial statements and determine the allocation of Tamsa s net income for the preceding fiscal year. Under Mexican law, the shareholders are required to allocate not less than 5% of net income per year to the legal reserve until the amount of the reserve equals 20% of Tamsa s subscribed capital stock. If the legal reserve is subsequently reduced, dividends may not be paid until the legal reserve has been restored to its former level. The legal reserve is not available for distribution. At December 31, 2002, Tamsa s legal reserve represented 8.64% of Tamsa s subscribed capital stock, as adjusted. Under Tamsa s by-laws, after the allocation to the legal reserve has been made, amounts may be segregated to fund additional reserves as determined by the shareholders meeting. The remainder of the retained earnings for the year may be distributed as dividends on capital stock or retained as a

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voluntary reserve, contingency reserve or other account, or any combination thereof, all as determined by the shareholders at the ordinary shareholders meeting. On April 30, 2003, Tamsa s shareholders meeting approved an increase of the legal reserve by USD58.9 million.

Effect of the Exchange Offer on Market for Securities

Because we acquired control of more than 88% of Tamsa s outstanding capital stock pursuant to the exchange offer consummated in December 2002, Tenaris and Tamsa are required, under Mexican law, to cause the delisting of Tamsa from the Mexican Stock Exchange and, in connection with the delisting, to establish a fiduciary account in Mexico with a term of at least six months and allocate to that fiduciary account the number of Tenaris shares necessary to acquire any remaining shares of Tamsa held in Mexico for the same consideration offered in the previous exchange offer. Accordingly, Tenaris and Tamsa petitioned the Mexican Stock Exchange to delist the Tamsa shares, subject to applicable law, effective on August 11, 2003. Tamsa will terminate the deposit agreement relating to Tamsa s ADSs effective on September 12, 2003. Furthermore, we expect that Tamsa, following consummation of this exchange offer, will no longer meet the listing requirements of the AMEX for continued listing and will, as soon as possible thereafter, petition the AMEX to delist the Tamsa shares and ADSs, subject to applicable law. The liquidity of any Tamsa shares outstanding after consummation of this exchange offer will be materially and adversely affected upon delisting as you will likely no longer have an active trading market for such Tamsa shares.

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PART FOUR

INFORMATION ABOUT TENARIS

Business

The discussion of Tenaris s business that follows is based on the consolidated combined financial statements of Tenaris included elsewhere in this prospectus. See Presentation of Certain Financial and Other Information Accounting Principles Tenaris and notes A and B to the consolidated combined financial statements of Tenaris included elsewhere in this prospectus.

Overview

Tenaris is a leading global manufacturer and supplier of seamless steel pipe products and associated services to the oil and gas, energy and other industries, with production, distribution and service capabilities in key markets worldwide. Tenaris s principal products include casing, tubing, line pipe, and mechanical and structural pipes.

In the last decade, Tenaris has successfully expanded its business through a series of strategic investments. Tenaris now operates a worldwide network of seamless steel pipe operations with manufacturing facilities in South America, North America, Europe and Asia and an annual production capacity of over three million tons of seamless steel pipe products, compared to 800,000 tons in the early 1990s. In addition, Tenaris has developed competitive and far reaching global distribution capabilities, with a direct presence in most major oil and gas markets. In 2002, Tenaris had net sales of USD3,219.4 million, operating income of USD471.9 million and net income of USD94.3 million. (Net income before the minority interest attributable to shares in Siderca, Tamsa and Dalmine that were acquired pursuant to our previous exchange offer completed on December 17, 2002, was USD193.8 million).

Tenaris believes that it is a leading player in the international trade market of seamless pipes based on estimated market share, with particular strength in the international trade market of seamless casing and tubing for the oil and gas industry, which are collectively known as oil country tubular goods, or OCTGs.

Tenaris provides tubular products and associated services to its customers around the world through global business units serving specific market segments and local business units serving the local markets where it has production facilities. The global business units include:

Tenaris Oilfield Services, responding to the tubular needs of oil and gas companies in their drilling activities;

Tenaris Pipeline Services, responding to the tubular needs of oil and gas and other energy companies in their activities of transporting fluids and gases;

Tenaris Process and Power Plant Services, responding to the tubular needs of refineries, petrochemical companies and energy generating plants for construction and maintenance purposes; *and*

Tenaris Industrial and Automotive Services, responding to the tubular needs of automobile and other industrial manufacturers.

In addition to its investments in seamless steel pipe operations worldwide, Tenaris controls a 100% interest in Siat S.A.I.C., or Siat, and holds 99.2% of the voting stock of Confab. We believe that Siat and Confab are the leading producers of welded steel pipes in Argentina and Brazil, respectively, with a combined annual production capacity of 850,000 tons.

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Tenaris also beneficially owns 100% of the capital stock of Dalmine Energie S.p.A., or Dalmine Energie, a supplier of electricity and natural gas to many industrial companies in central and northern Italy.

History and Corporate Organization

Tenaris began with the formation of Siderca by San Faustín s predecessor in Argentina in 1948. Siat, an Argentine welded steel pipe manufacturer, was acquired in 1986. Tenaris grew organically in Argentina and then, in the early 1990s, began to evolve beyond its initial base in Argentina into a global business through a series of strategic investments. These investments included the acquisition, directly or indirectly, of controlling or substantial interests in:

Tamsa, the sole Mexican producer of seamless steel pipe products (June 1993);

Dalmine, a leading Italian producer of seamless steel pipe products (February 1996);

Tavsa, the sole Venezuelan producer of seamless steel pipe products (October 1998);

Confab, the leading Brazilian producer of welded steel pipe products (August 1999);

NKKTubes, a leading Japanese producer of seamless steel pipe products and source of advanced seamless steel pipe manufacturing technology (August 2000); *and*
AlgomaTubes, the sole Canadian producer of seamless steel pipe products (October 2000).

In addition, Tenaris, through Tenaris Global Services, has developed a global network of pipe distribution and service facilities with a direct presence in most major oil and gas markets.

In December 2002, Tenaris became a publicly listed company after completing an exchange offer for the outstanding shares and ADSs of its three main operating subsidiaries.

Below is a simplified diagram of Tenaris s corporate structure, as of July 31, 2003:

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(1) The remainder of Confab is owned by the public. As of July 31, 2003, Siderca held 99.22% of Confab s voting stock.
(2) As of July 31, 2003, the remainder of NKKTubes was beneficially owned by JFE Holdings Inc.
(3) As of July 31, 2003, the remainder of Tavsa was owned by the Republic of Venezuela through the Corporación Venezolana de Guayana.

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Our Competitive Strengths

Tenaris believes its main competitive strengths include:

- its global production, commercial and distribution capabilities, offering a full product range with flexible supply options backed up by local service capabilities in important oil and gas producing and industrial regions around the world;
- its ability to provide value-added services worldwide;
- its ability to design and manufacture technologically advanced products;
- its solid and diversified customer base and historic relationships with major international oil and gas companies around the world;
- its low-cost operations, primarily at state-of-the-art, strategically located production facilities with favorable access to raw materials, energy and labor, and more than 45 years of operating experience; *and*
- its strong balance sheet.

Tenaris s Business Strategy

Tenaris s business strategy is to continue expanding its operations internationally and further consolidate its position as a leading supplier of high-quality tubular products and services worldwide to the oil and gas, energy and mechanical industries by:

- completing the integration of the operations of its subsidiaries to provide customers a complete range of products worldwide and to maximize operational flexibility and synergies;
- developing a comprehensive range of value-added services designed to enable customers to reduce working capital and inventory requirements while integrating Tenaris s production activities with the customer supply chain; *and*
- continuing to pursue strategic acquisition opportunities.

Completing the integration of the operations of its subsidiaries

Tenaris believes that it will reinforce its strong position in the international seamless steel pipe market and its leading presence in the domestic markets of its operating subsidiaries by completing the integration of the operations of those subsidiaries following the consummation of its previous exchange offer in December 2002. Tenaris has taken and continues to take several steps to integrate these operations, including:

- the reorganization of the commercial activities of its subsidiaries under global and local customer-focused business units;
- the common use of the Tenaris brand, launched in May 2001, with which Tenaris is positioning itself as an integrated supplier of high-value products and industry-leading services;
- the sharing of operational technology and coordination of Tenaris s research and development activities; *and*
- the reorganization of Tenaris s procurement, information technology, or IT, and premium joint licensing activities.

By aligning the interests of all shareholders through its previous exchange offer in December 2002, Tenaris seeks to pursue further integration of its operations and thereby expects to continue to increase flexibility and synergies across six seamless and two welded pipe mills and their common commercial network organized under Tenaris Global Services.

Developing value-added services

Tenaris continues to develop its capabilities to supply value-added services to its customers worldwide. These services seek to enable its customers to reduce costs and concentrate on their core businesses. They are also intended to enable Tenaris to differentiate itself from its competition, further strengthen Tenaris s relationship with its customers worldwide through long-term agreements and to capture more of the value in the supply chain. These value-added services include:

working with its customers to anticipate their needs and develop customized products for particular applications;

providing comprehensive pipe management services, including just-in-time, or JIT, delivery and stocking programs; *and*

developing integrated supply chain management services through alliances with specialist service providers and extensive use of information technology.

Pursuing strategic acquisition opportunities

Tenaris has a solid record of growth through strategic acquisitions. Tenaris is actively pursuing selective strategic acquisitions as a means to expand its operations, enhance its global competitive position and capitalize on potential operational synergies.

Tenaris s Products

Tenaris s principal finished products are seamless steel pipes casing and tubing, seamless steel line pipe and various other mechanical and structural seamless pipes for different uses. Tenaris also produces welded steel pipes for oil and gas pipelines and industrial uses, as well as pipe accessories. Tenaris manufactures most of its seamless steel products in a wide range of specifications, which vary in width, length, thickness, finishings and grades.

Seamless steel casing. Seamless steel casing is used to sustain the walls of oil and gas wells during and after drilling.

Seamless steel tubing. Seamless steel tubing is used to extract crude oil and natural gas after drilling has been completed.

Seamless steel line pipe. Seamless steel line pipe is used to transport crude oil and natural gas from wells to refineries, storage tanks and loading and distribution centers.

Seamless steel mechanical and structural pipes. Seamless steel mechanical and structural pipes are used by the general industry for various applications, including the transportation of other forms of gas and liquids under high pressure.

Cold-drawn pipe. The cold-drawing process permits the production of pipe with the diameter and wall thickness required for use in boilers, superheaters, condensers, heat exchangers, automobile production and several other industrial applications.

Premium joints and couplings. Premium joints and couplings are specially designed connections used to join lengths of seamless steel casing and tubing for use in high temperature or high pressure environments. A significant portion of our seamless steel casing and tubing products are supplied with premium joints and couplings. Tenaris owns the intellectual property rights to the Antares and NKK range of premium connections and holds licensing rights to manufacture and sell the Atlas Bradford range of premium connections outside of the United States.

Welded steel pipes. Welded steel pipes are processed from steel sheets and plates and are used for the conveying of fluids at low, medium and high pressure, and for mechanical and structural purposes.

Production Process and Facilities

Tenaris believes its primarily low-cost production facilities are a result of:

- state-of-the-art, strategically located plants;
- favorable access to high quality raw materials, energy and labor at competitive costs;
- operating history of more than 45 years, which translates into solid industrial know-how;
- constant benchmarking and best-practices sharing among the different facilities;
- increasing specialization of each of our facilities in specific product ranges; *and*
- intensive use of information technology in our production processes.

Tenaris s seamless steel pipe production facilities are located in South America, North America, Europe and Asia. In addition, Tenaris manufactures welded pipe products in facilities in Argentina and Brazil, and tubular accessories such as sucker rods (used in oil and gas drilling) and couplings in Argentina and pipe fittings in Mexico.

The following table shows Tenaris s aggregate installed production capacity of seamless and welded steel pipes and steel bars at the dates indicated as well as the aggregate actual production volumes for the periods indicated. The figures for effective annual capacity are based on Tenaris s estimates of effective annual production capacity under present conditions.

	At or for the year ended December 31,		
Thousands of tons	**2002**	**2001**	**2000**
Seamless Steel Pipe			
Effective Capacity (annual)	3,125	3,125	3,100
Actual Production	2,194	2,462	2,146
Steel Bars			
Effective Capacity (annual)	2,850	2,850	2,850
Actual Production	2,310	2,544	2,381
Welded Steel Pipe			
Effective Capacity (annual)	850	850	850
Actual Production	561	470	257

South America

Tenaris s principal manufacturing facility in South America, operated by Siderca, is a fully integrated, strategically located plant on the banks of the Paraná river near the town of Campana, approximately 80 kilometers from Buenos Aires, Argentina. The Campana plant was inaugurated in 1954. Situated

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on over 300 hectares, the plant includes a state-of-the-art seamless pipe mill and has an effective annual production capacity of 820,000 tons of seamless steel pipe (with an outside diameter range of 1 1/4 to 11 inches) and 1,100,000 tons of steel bars.

The Campana facility comprises:

a Midrex direct reduced iron, or DRI, production plant;

a steel shop with two production lines, each including an electric arc furnace, refining equipment, four-strand continuous caster and a cooling bed;

two continuous mandrel mills, each including a rotary furnace, direct piercing equipment, a stretch reducing mill and a cooling bed;

six finishing lines, including heat treatment facilities, upsetting machines, threading and inspection equipment and make-up facilities;

a cold-drawn mill; *and*

a port on the Paraná river for the supply of raw materials and the shipment of finished products.

The major operational units at the Campana facility and corresponding effective annual production capacity (in thousands of tons per year) as of December 31, 2002, the year operations commenced and the year of the latest major overhaul, are as follows:

	Effective Production Capacity (annual)	Year Operations Commenced
DRI	820	1976
Steel Shop		
Production Line I	400	1971
Production Line II	700	1987
Mandrel Mill I	300	1977
Mandrel Mill II	520	1988
Cold-Drawn Mill	20	1962

In addition to the Campana facility, Tenaris has manufacturing facilities, operated by Metalmecánica S.A. and Metalcentro, at Villa Mercedes in the province of San Luis, Argentina, for the production of tubular accessories such as sucker rods and pipe protectors.

In South America, Tenaris also has a seamless steel pipe plant in Venezuela, operated by Tavsa and located within the Sidor manufacturing complex on the banks of the Orinoco river in the eastern part of the country. Situated on an area of 38 hectares, the plant includes a pilger mill and finishing line (including threading facilities) and produces seamless pipe products with an outside diameter range of 6 to 16 inches. The plant was operated as part of Sidor until shortly before it was privatized and sold to Tamsa in 1998. After conclusion of a modernization program in 2000, Tavsa reached an annual production capacity of 65,000 tons. Steel bars used to produce seamless steel pipe in Venezuela are supplied by Sidor.

North America

Tenaris s principal manufacturing facility in North America, operated by Tamsa, is an integrated plant located near Pemex s major exploration and drilling operations, about thirteen kilometers from the port of Veracruz. Veracruz is located on the east coast of Mexico, approximately 400 kilometers from

Mexico City. The Veracruz plant was inaugurated in 1954. Situated on an area of 200 hectares, the plant includes a state-of-the-art seamless pipe mill and has an installed annual production capacity of 780,000 tons of seamless steel pipes (with an outside diameter range of 2 to 20 inches) and 850,000 tons of steel bars. The plant is served by two highways and a railroad and is close to the port of Veracruz.

The Veracruz facility comprises:

- a steel shop, including an electric arc furnace, refining equipment, four-strand continuous caster and a cooling bed;
- a multi-stand pipe mill, including a continuous mandrel mill, rotary furnace, direct piercing equipment and a cooling bed;
- a pilger pipe mill, including a rotary furnace, direct piercing equipment, a reheating furnace and a cooling bed;
- six finishing lines, including heat treatment facilities, upsetting machines and threading and inspection equipment;
- a stretch reducing mill, including cutting saws and a cooling bed;
- a cold-drawn mill; *and*
- automotive components production machinery.

The major operational units at the Veracruz facility and corresponding annual installed production capacity (in thousands of tons per year, except for auto components facility, which is in millions of parts) as of December 31, 2002, and the year operations commenced, are as follows:

	Installed Production Capacity (annual)	Year Operations Commenced
Steel Shop	850	1986
Multi-Stand Pipe Mill	700	1983
Pilger Mill	80	1954
Cold-Drawn Mill	10	1963
Auto Components Facility	5	2001

In addition to the Veracruz facility, Tamsa operates a recently-acquired manufacturing facility near Monterrey in the state of Nuevo León, Mexico, for the production of pipe fittings. This facility has an annual production capacity of 15,000 tons.

Tenaris also has a seamless steel pipe manufacturing facility in Canada, operated by AlgomaTubes and located adjacent to the Algoma Steel manufacturing complex in Sault Ste. Marie near the mouth of Lake Superior in the province of Ontario. The facility includes a retained mandrel mill, a stretch reducing mill and heat treatment and finishing facilities producing seamless pipe products with an outside diameter range of 2 to 7 inches. The effective annual capacity of the facility is 250,000 tons. The plant was originally inaugurated in 1986 and was operated as part of Algoma Steel until shortly before it was leased to Tenaris in 2000. Steel bars are sourced from excess steelmaking capacity at the Campana and Veracruz plants and from third party suppliers. On May 23, 2003, Tenaris announced that it had signed a letter of intent to purchase for a price of 12.5 million Canadian dollars land and manufacturing facilities in Canada currently leased by AlgomaTubes. The purchase is scheduled to be

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completed by the end of the year but remains subject to an agreement with the United Steelworkers of America and various approvals by the Canadian government.

Europe

Tenaris s principal manufacturing facility in Europe, operated by Dalmine, is an integrated plant located in the town of Dalmine close to the industrial region of Bergamo, about 40 kilometers from Milan in northern Italy. Situated on an area of 150 hectares, the plant includes a state-of-the-art seamless pipe mill and has an annual production capacity of 800,000 tons of seamless steel pipes and 900,000 tons of steel bars.

The main Dalmine facility comprises:

a steel shop, including an electric arc furnace, two ladle furnaces, two continuous casters and a cooling bed;

a continuous floating mandrel mill with two finishing lines;

a retained mandrel mill with three finishing lines;

a rotary expander with a finishing line;

a pilger pipe mill with a finishing line; *and*

cold drawing facilities.

The major operational units at the main Dalmine facility and corresponding annual effective production capacity (in thousands of tons per year) as of December 31, 2002, the year operations commenced and the year of the latest major overhaul, are as follows:

	Effective Production Capacity (annual)	**Year Operations Commenced**
Steel Shop	900	1976
Pilger Mill	110	1937
Continuous Floating Mandrel Mill:		
Floating Mandrel Mill Small Diameter	140	1952
Mandrel Mill Medium Diameter	550	1978

The main Dalmine facility manufactures seamless steel pipes with an outside diameter range of 17 to 711 mm (0.67 to 27.99 inches), mainly from carbon, low alloy and high alloy steels for diverse applications. The Dalmine facility also manufactures steel bars for processing at our other facilities in Italy.

Together, the Dalmine facility and Tenaris s other production facilities in Europe, all of which are located in Italy, have an effective annual production capacity of 950,000 tons of seamless steel pipes. These other facilities include:

the Costa Volpino facility, which covers an area of approximately 31 hectares and comprises a cold-drawn mill and an auto components facility producing cold-drawn carbon, low alloy and high alloy steel pipes with an outside diameter range of 12 to 273 mm (0.47 to 10.75 inches), mainly for automotive, mechanical and machinery companies in Europe and the United States. The Costa Volpino facility has an annual production capacity of approximately 95,000 tons;

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the Arcore facility, which covers an area of approximately 16 hectares and comprises a Deischer mill with associated finishing lines and multiple cold pilger pipe mills for cold-drawn pipes. Production is concentrated in heavy-wall mechanical pipes with an outside diameter range of 48 to 203 mm (1.89 to 7.99 inches). The Arcore facility has an annual production capacity of approximately 160,000 tons; *and*

the Piombino facility, which covers an area of approximately 67 hectares and comprises a welded pipe production line (Fretz Moon type) with a hot stretch reducing mill, two hot dip galvanizing lines and associated finishing facilities. Production is focused on welded pipe and finishing of small diameter seamless and welded pipe for sanitation applications in the domestic market, such as residential water and gas transport. The Piombino facility has an annual production capacity of approximately 150,000 tons.

Far East

Tenaris s manufacturing facility in Asia, operated by NKKTubes, is a seamless steel pipe plant located in Kawasaki, Japan, in the Keihin steel complex owned by JFE Holdings Inc., or JFE, the successor company of NKK Corporation, or NKK, resulting from the business combination of NKK with Kawasaki Steel Corporation, or Kawasaki Steel. The facility includes a retained mandrel mill, a plug mill and heat treatment, upsetting, threading and cold drawing facilities producing seamless pipe products with an outside diameter range of 1 to 17 inches. The effective annual capacity of the facility is 260,000 tons. The plant was operated by NKK until its acquisition by Tenaris in 2000. Steel bars and other essential inputs and services are supplied by JFE, which retains a 49% interest in NKKTubes. The NKKTubes facility produces a wide range of carbon, alloy and stainless steel pipes for the local market and high value-added products for export markets. For a discussion of NKK s business combination with Kawasaki Steel, see Competition Global Market.

Welded Pipes

Tenaris has two major welded pipe facilities, one in Brazil and one in Argentina. The Brazilian facility, operated by Confab, is located at Pindamonhangaba, 160 kilometers from the city of São Paulo. The facility includes an ERW (electric resistant welding) rolling mill and a SAW (submerged arc welding) rolling mill with two spiral lines. The facility, which was originally inaugurated in 1959, processes steel plates and coils to produce welded steel pipes with an outside diameter range of 4 1/2 to 100 inches for various applications, including oil, petrochemical and gas applications. The facility also supplies anticorrosion pipe coating made of extruded polyethylene or polypropylene, external and internal fusion bonded epoxy and paint for internal pipe coating. The facility has an annual production capacity of 500,000 tons.

The Argentine facility, operated by Siat, is located at Valentín Alsina just south of the city of Buenos Aires. The facility includes ERW and SAW rolling mills with one spiral line. The facility was originally inaugurated in 1948 and processes steel plates and coils to produce welded steel pipes with an outside diameter range of 4 1/2 to 100 inches, which are used for the conveying of fluids at low, medium and high pressure and for mechanical and structural purposes. The facility has an annual production capacity of 350,000 tons.

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Sales and Marketing

The following table shows Tenaris s steel pipe sales by product and geographic region in terms of volume for the periods indicated.

Thousands of tons	For the year ended December 31, 2002	2001	2000
(unaudited)			
Seamless Steel Pipe Sales			
South America	324	490	435
North America	401	438	350
Europe	644	715	664
Middle East and Africa	522	582	451
Far East and Oceania	392	448	262
Total Seamless Steel Pipe Sales	2,283	2,673	2,162
Welded Steel Pipe Sales	585	432	253
Total Steel Pipe Sales	2,868	3,105	2,415

The following table shows Tenaris s total net sales by geographical region in terms of U.S. dollars for the periods indicated.

Millions of U.S. dollars	For the year ended December 31, 2002	2001	2000
South America	956	971	668
North America	577	612	422
Europe	830	681	591
Middle East and Africa	511	521	429
Far East and Oceania	345	390	252
Total Sales	3,219	3,174	2,361

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Seamless Steel Pipes

The following table indicates the percentage market distribution of Tenaris s seamless steel pipe sales volume by region for the periods shown.

Percentage of total seamless steel pipe sales volume	For the year ended December 31, 2002	2001	2000
(unaudited)			
South America	14	18	20
North America	18	16	16
Europe	28	27	31
Middle East and Africa	23	22	21
Far East and Oceania	17	17	12
	100	100	100

South America

Sales to Tenaris s customers in South America accounted for 14% of Tenaris s total consolidated sales volume of seamless steel pipe products in 2002, 18% in 2001 and 20% in 2000.

Tenaris s largest markets in South America are Argentina and Venezuela, countries in which Tenaris has manufacturing subsidiaries. Tenaris s sales in the Argentine and Venezuelan markets are sensitive to the international price of oil and gas and its impact on the drilling activity of participants in the domestic oil and gas sectors, as well as to general economic conditions in these countries. In addition, sales in Argentina, as well as export sales from Tenaris s manufacturing facilities in Argentina, are affected by government actions and policies, including measures adopted in 2002 in response to the crisis in Argentina, such as the taxation of oil exports, restrictions on certain transfers of currency abroad, mandatory repatriation of certain export revenues and other matters affecting the investment climate. See Part Two Risk Factors Risks Relating to Argentina and Mexico. Sales in Venezuela are also affected by government actions and policies and their consequences, including recent politically motivated strike action at the state-owned oil company, agreements to vary domestic production pursuant to quotas established by OPEC, measures relating to the taxation of oil and gas production activities and other matters affecting the investment climate.

A principal component of Tenaris s marketing strategy in the Argentine and Venezuelan markets is the establishment of long-term supply agreements with significant local and international oil and gas companies operating in those markets. In recent years, Tenaris has sought to retain and expand its sales to those customers by offering value-added services.

In Argentina, Tenaris has enjoyed a sustained, close business relationship with Repsol YPF S.A., an integrated oil and gas company engaged in all aspects of the oil and gas business. Repsol YPF, one of the world s ten largest oil and gas companies, was created as a result of the acquisition in 1999 of YPF S.A., the leading oil and gas producer in Argentina, by Repsol S.A., a Spanish oil and gas producer. Tenaris has strengthened its relationships with Repsol YPF and other participants in the Argentine oil sector through JIT agreements, which allow Tenaris to provide these customers with comprehensive pipe management services on a continuous basis. These agreements provide for delivery of pipe to our customers on short notice, usually within 72 hours. Under JIT and stocking supply arrangements, Tenaris is kept informed of its customers drilling program and pipe requirements. In addition, Tenaris is permitted to bring its engineers to the customers drilling locations in order to maintain adequately supplied warehouse inventories. In June 2001, Tenaris renewed and extended the scope of its JIT agreement with Repsol YPF for a period of five years.

Tenaris also serves the demand for seamless steel pipes for other applications in the Argentine market.

In 2002, demand from oil and gas customers in Argentina was adversely affected by the political and economic crisis and government actions, including the application of export taxes on oil exports and the non-adjustment of gas tariffs following the devaluation of the local currency. This led to a significant decline in sales particularly during the first half of the year compared to the levels in 2001. In the second half of the year, there was a pick-up in demand from the oil, but not the gas, sector and, albeit from very low levels, from the non-oil sector.

In Venezuela, Tenaris has a significant share of the market for OCTG products. Tenaris enjoys ongoing business relationships with Petróleos de Venezuela S.A., or PDVSA, the state-owned oil company, and many private-sector operators in the oil and gas sector. In 2001 and 2002, OPEC production quota cutbacks and adverse political and economic developments led to a substantial decline in exploration and production activity in the oil and gas sector. Additionally, PDVSA decided to implement a significant reduction in its inventories of seamless pipes. These factors led to a substantial decline in Tenaris s sales of seamless pipes in 2002 compared to the previous year and in January 2003 Tenaris s sales of seamless pipes to PDVSA effectively came to a halt following politically motivated strike action involving the state-owned company. Sales have, however, subsequently resumed and are slowly increasing.

North America

Sales to customers in North America accounted for 18% of Tenaris s total consolidated sales volume of seamless steel pipe products in 2002, 16% in 2001 and 16% in 2000.

Tenaris s largest markets in North America are Mexico and Canada, countries in which Tenaris has manufacturing subsidiaries.

Tenaris, through its operating subsidiary in Mexico, has enjoyed a long and mutually beneficial relationship with Pemex, one of the world s largest crude oil and condensates producers. In 1994, Tenaris began supplying Pemex under JIT arrangements, similar to its JIT arrangements with Repsol YPF. In March 2001, Tenaris renewed its relationship with Pemex under a new three year JIT agreement. Combined sales to Pemex (including drilling companies contracted by Pemex) represented 4.4% of Tenaris s total seamless steel pipe sales volume in 2002, compared to 3.1% in 2001 and 3.5% in 2000.

Sales to non-oil related customers in Mexico are made directly to those customers or through authorized distributors. The principal Mexican end users other than Pemex (including drilling companies contracted by Pemex) rely on Tenaris s products primarily for automotive, thermal, mechanical, conduction and hydraulic uses. In 2001 and continuing in 2002, Tenaris s sales to domestic non-oil related customers declined reflecting the direct relationship this market maintains with the Mexican and U.S. economies, which experienced a slowdown during 2001 and 2002.

Tenaris s sales in Canada are mainly directed to the oil and gas drilling and transportation sectors and are primarily made through distributors. During 2001, Tenaris s sales in Canada increased following a recovery in oil and gas drilling activity and the start-up of our Canadian subsidiary. In 2002, demand from the oil and gas sector declined due to low levels of oil and particularly gas prices immediately prior to and during the winter drilling season that led to a sharp slowdown in the annual level of

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drilling activity. Sales to Canadian oil and gas drilling customers are also affected by seasonal factors relating to the difficulty of conducting oil and gas drilling activities during the spring thaw.

Tenaris s sales to the United States are mainly directed to the industrial sector and are affected by trends in industrial activity since anti-dumping duties apply in respect of the import of OCTGs produced by Tenaris s main manufacturing subsidiaries.

Europe

Sales to Tenaris s customers in Europe accounted for 28% of Tenaris s total consolidated sales volume of seamless steel pipe products in 2002, 27% in 2001 and 31% in 2000.

Tenaris s largest single country market in Europe is Italy. The market for seamless pipes in Italy (as in most of the EU) is affected by general industrial production trends, including investment in power generation, petrochemical and oil refining facilities. The European market also includes the North Sea area, which is affected by oil and gas prices in the international markets and their consequent impact on oil and gas drilling activities in that area.

In response to competitive pressures, particularly the increase in low-priced imports from producers in Russia, Ukraine and other Eastern European countries, and consequent decline in market share in the period 1999-2001, Tenaris has recently completed a restructuring of its sales activities in the Italian market. This restructuring involved the substitution of sales to large distributors with direct sales to end users and sales to small regional distributors and implementing an electronic sales platform on its website. These efforts to restructure its sales were supported by increased provision of services, such as JIT delivery and cutting-to-length, and the implementation of customer relationship management systems to help Tenaris manage the increased number of direct customers. These efforts initially resulted in a loss of market share which in 2002 was more than recouped. Tenaris plans to extend this restructuring of its sales activities to the rest of the European industrial market.

After showing small increases in the previous two years, we estimate that apparent consumption of seamless pipes in the EU market fell by approximately 10% during 2002 compared to the levels of 2001 in response to declining levels of investment in industrial activity.

Middle East and Africa

Sales to customers in the Middle East and Africa accounted for 23% of Tenaris s total consolidated sales volume of seamless steel pipe products in 2002, 22% in 2001 and 21% in 2000.

Tenaris s sales in the Middle East and Africa are sensitive to the international price of oil and its impact on drilling activities as well as to the production policies pursued by OPEC, many of whose members are located in this region. After a downturn in 1998 and 1999 as a result of the decline in oil prices, drilling activity in the Middle East and Africa began to recover in 2000 and sales of seamless steel pipes have increased. In 2001, an increase in oil and gas exploration and production activity in 2001 (particularly in West Africa) resulted in higher sales of seamless pipes, a trend which was reversed at the end of 2002.

In addition, Tenaris s sales in the Middle East and Africa could be adversely affected by political events, military action and other events in the region, such as the war in Iraq and social unrest in Nigeria, that materially impact the operations of companies active in the region s oil and gas industry.

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Far East and Oceania

Sales to customers in the Far East and Oceania accounted for 17% of Tenaris s total consolidated sales volume of seamless steel pipe products in 2002, 17% in 2001 and 12% in 2000.

Tenaris s largest markets in the Far East and Oceania are China and Japan. Tenaris s seamless steel pipe sales in China are predominantly OCTGs for use in the Chinese oil and gas drilling industry. Sales have grown in this market in the past years as China increased investment in oil and gas exploration and production activities. In 2002, there was a slight decline in sales due to temporary import restrictions, now removed, associated with the consideration of whether to apply safeguards similar to the Section 201 safeguards imposed by the United States on certain steel products.

In Japan, NKKTubes competes against other domestic producers. The market for seamless steel pipe products in Japan is mostly industrial and depends on general factors affecting domestic investment, including production activity. In recent years, demand has weakened in line with the general downturn in the Japanese economy.

Sales to other markets in the Far East and Oceania are affected by the level of oil and gas drilling activity in countries such as Indonesia and engineering activity particularly related to investment in petrochemical plants and oil refineries.

Welded Steel Pipes

We believe that Tenaris is the leading supplier of welded pipes in Brazil and Argentina for gas pipeline construction and industrial applications and the leading supplier of welded steel pipe products for gas pipeline construction in South America. Tenaris also supplies welded steel pipes to selected gas pipeline construction projects worldwide. Demand for Tenaris s welded steel pipes is principally affected by investment in gas pipeline projects, especially in South America. In 2002 and in 2001, sales of welded steel pipes were strong, reflecting a period of high demand for such products in connection with the construction of large pipeline projects in South America, such as those in Ecuador and Peru, as well as ongoing pipeline network integration projects in the region. Deliveries of welded steel pipes to those projects in Ecuador and Peru have now been substantially completed but demand from oil and gas pipeline projects in Tenaris s local market of Brazil has increased beginning in 2003. In 2000, demand for welded steel pipe products was substantially below levels of previous years due to the postponement of several regional gas pipeline projects.

Trends in Oil and Gas Prices

As discussed above, sales to oil and gas companies worldwide represent a high percentage of Tenaris s total sales and demand for seamless steel pipes from the global oil and gas industry is a significant factor affecting the general level of prices for our products. Downward pressures on oil and gas prices in the international markets usually result in lower demand for our seamless steel pipe products from Tenaris s oil and gas customers and, in some circumstances, upward pressures can result in higher demand from these customers.

Major oil and gas producing nations and companies frequently collaborate to control the supply (and thus the price) of oil in the international markets. A major vehicle for this collaboration is OPEC. Many of Tenaris s larger customers are state-owned companies in member countries of OPEC, or otherwise cooperate with OPEC in controlling the supply and price of oil.

In response to depressed oil prices in 1998, major oil producing countries began to cooperate closely and intensely to raise prices. In March 1998, Mexico, Venezuela and Saudi Arabia, encouraged by proposals of other oil producers to strengthen world oil markets, announced that they would reduce the oil supply. A second reduction was agreed upon in June 1998. In March 1999, OPEC and several non-OPEC oil producers ratified an agreement to cut crude oil production by 2,104,000 barrels per day in the aggregate. Oil prices increased significantly as a result of these production cuts. Subsequently, oil consuming nations began to pressure OPEC to raise production to ease the upward pressure on oil prices. In April 2000, OPEC announced an increase in production by 1,452,000 barrels per day. This was followed by additional increases of 708,000 barrels per day in June 2000, 800,000 barrels per day in September 2000 and 500,000 barrels per day in October 2000. In 2001, in response to weakening price pressures, OPEC (excluding Iran) announced a reduction in production of 1,500,000 barrels per day, effective February 1, 2001; of 1,000,000 barrels per day, effective April 1, 2001; of 1,000,000 barrels a day, effective September 1, 2001; and of 1,500,000 barrels a day, effective January 1, 2002. More recently, in response to supply tightness resulting from the threat of military action against Iraq and strike action in Venezuela, OPEC announced an increase of 1,300,000 barrels per day, effective January 1, 2003, an increase of 1,500,000 barrels per day, effective February 1, 2003 and a further increase of 900,000 barrels per day, effective June 1, 2003. We are unable to forecast the direction of international oil and gas prices in the future, and the consequent impact on investment programs and purchases, including pipe purchases, by Tenaris s oil and gas customers.

Energy

Tenaris, through an indirect subsidiary formed in 1999, Dalmine Energie, has developed a small energy business in Italy, following the partial deregulation of the energy sector by the Italian government. Initially formed to supply electricity to Dalmine and to other users in the Bergamo area, Dalmine Energie has rapidly expanded and currently supplies electricity to many industrial companies in northern and central Italy. Dalmine Energie purchases electricity principally from *GRTN Gestore della Rete di Trasmissione Nazionale S.p.A.*, or GRTN, formerly known as Enel Distribuzione S.p.A., at wholesale market prices under volume and delivery conditions that closely match those at which it sells to its customers. Dalmine Energie enjoyed a high operating margin in its first year of business due to its position as a first mover, but in 2001 its operating margins declined as the business matured and competition increased. In December 2001, Dalmine Energie began operating in the natural gas business. Dalmine Energie purchases its natural gas requirements from Snam S.p.A. under a long-term contract that expires on October 1, 2011, which contains annual, quarterly and daily take-or-pay provisions and had an outstanding value, as of December 31, 2002, of approximately 680 million. At December 31, 2002, Dalmine Energie had approximately 450 customers and traded 2.7 Twh (billions of kilowatt/hour) of electricity and 579 million standard cubic meters, or scm, of natural gas.

Dalmine Energie recognizes revenue only upon delivery of electricity and gas and other services to its customers. Revenues are calculated based on actual consumption, which is measured by meter readings carried out at set intervals. Of its 275 million in revenues in 2002 (compared to 165 million in 2001), 19% were derived from sales to Dalmine (24.7% in 2001) and the remainder represented sales to third parties (of which 64% represented sales of electricity and the remainder represented sales of natural gas).

Other products

Prior to the reorganization of Tenaris Global Services as a subsidiary of Tenaris in October 2002, some of the subsidiary companies representative offices and other assets of Tenaris Global Services were involved in the sale and marketing of other steel products (principally sales in North America and Europe of steel products produced by Sidor and Siderar, a Techint group company producing flat steel in Argentina). Sales of these products are recorded in Tenaris s consolidated combined financial statements. Since October 2002, Tenaris has been in the process of discontinuing such sales.

Competition

Global Market

The global market for seamless steel pipe products is highly competitive, with the primary competitive factors being price, quality and service. Seamless steel pipe products are produced in specialized mills using round steel billets and ingots, which are produced almost exclusively for seamless steel pipe applications. Steel companies that manufacture steel sheet and wire rods and bars and other steel products but do not operate specialized seamless steel mills are generally not competitors in the market for seamless steel pipe products, although they often produce welded steel pipes or sell steel sheets and plates used to produce welded steel pipe.

The production of seamless steel pipe products that meet the stringent requirements of major oil and gas companies requires the development of specialized skills and significant investments in manufacturing facilities. By contrast, the seamless pipe products for standard applications can be produced in most seamless pipe mills worldwide and sometimes compete with welded pipe products for such applications. Welded pipe, however, is not generally considered a satisfactory substitute for seamless steel pipe in high-pressure or high-stress applications, which constitute a significant source of our business.

Tenaris s principal competitors in the international seamless steel pipe markets can be grouped by origin as described below.

Japan. Sumitomo Metal Industries Ltd. and Kawasaki Steel in the aggregate enjoy a significant share of the international market, having established strong positions in markets in the Far East and the Middle East. They are internationally recognized for the high quality of their products and for their supply of high-alloy grade pipe products. In April 2001, Nippon Steel Corporation, in connection with ongoing rationalization measures, withdrew from the export market for seamless steel pipe products and shut down its seamless steel pipe facility in Yawata, Japan. On September 27, 2002, Kawasaki Steel and NKK, Tenaris s partner in NKKTubes, consummated a business combination through which they became subsidiaries of JFE. JFE continues to operate the former Kawasaki Steel s seamless steel pipe business in competition with NKKTubes.

Western Europe. Vallourec & Mannesman Tubes, or V&M Tubes, a Franco-German venture, has mills in Brazil, France, Germany and the United States. V&M Tubes has a strong presence in the European market for seamless pipes for industrial use and a significant market share in the international market with customers primarily in Europe, the United States and the Middle East. V&M Tubes is an important competitor in the international OCTG market, particularly for high-value premium joint products. In May 2002, V&M Tubes purchased the seamless tubes division of North Star Steel, a leading U.S. producer of OCTGs for the domestic market. Tubos Reunidos S.A. of Spain and Voest Alpine AG of Austria each has a significant presence in the European market for seamless steel pipes for industrial applications while the latter also has a presence in the international OCTG market with sales mostly directed to the United States and the Commonwealth of Independent States, or CIS.

United States. U.S. steel producers, including US Steel Corporation and North Star Steel, are largely focused on supplying the U.S. market. Some of them, however, periodically enter the international market in response to decreased domestic demand or perceived opportunities in the export markets.

As mentioned above, V&M Tubes purchased in May 2002 the seamless tubes division of North Star Steel.

Eastern Europe, CIS and China. Producers from these regions compete in the commodity sector of the market and have been increasing their participation in the international market for standard products where quality and service are not the prime consideration.

Domestic Markets

Tenaris competes against importers of seamless steel pipe products and, to a lesser extent, against welded steel pipe products in the domestic markets of its manufacturing subsidiaries in Argentina, Venezuela, Mexico and Canada (countries in which it is the sole domestic producer) and against domestic, regional and other competitors in Italy and Japan.

Producers of seamless steel pipe products can maintain a strong competitive position in their domestic markets due to logistical and other advantages which permit them to offer value-added services and maintain strong relationships with domestic customers, particularly in the oil and gas sector. Tenaris s subsidiaries have established strong ties with major consumers of steel pipe products in their home markets, reinforced by JIT arrangements as discussed above.

Argentina

Siderca is the sole producer of seamless steel pipe in Argentina. Accordingly, Tenaris s competition in the Argentine seamless steel pipe products market is limited to imported products manufactured by foreign companies.

In recent years, Tenaris has faced increased competitive challenges from outside Argentina as a result of the Argentine government s trade liberalization policies. In early 1991, the Argentine government reduced import tariffs and eliminated most non-tariff restrictions on trade as part of an effort to open the Argentine economy to foreign competition. Argentina, Brazil, Uruguay and Paraguay entered into the Treaty of Asunción in March 1991, formally establishing Mercosur, a common market organization composed of the four signatory nations. The Mercosur treaty and other subsequent related agreements provide for the gradual economic integration of the member countries, the creation of a free trade zone, the elimination or significant reduction, in some cases over a period of years, of import duties, tariffs and other barriers to trade among the four nations and the creation of a common external tariff. Tariffs on seamless steel pipe products were eliminated progressively by January 1, 1999, between Brazil and Argentina and by January 1, 2000, among all four member nations. The tariff applicable to seamless steel pipe products imported from outside Mercosur was 16% as of January 1, 2002. In addition, a supplemental tariff of 1.5% currently applies to these imports.

Venezuela

Tenaris competes in the Venezuelan market as a domestic producer and as a foreign supplier with imported products manufactured by non-Venezuelan companies.

Venezuela applies tariffs ranging from 5% to 15% on steel imports, including seamless steel pipe products, from countries with which it does not have free trade agreements. In April 2002, the Venezuelan government increased its standard tariff from 20% to 30% for a temporary period of four months. This tariff was subsequently extended on two occasions and is now scheduled to expire in October 2003. No tariff applies to steel imports from member countries of the Andean pact or from Chile, and imports from Mexico are subject to a reduced tariff. As a result of an antidumping investigation, Venezuela imposed antidumping duties of 87.0% on steel pipe imports from Japan in 1996. The preliminary determination was confirmed in June 2000 and continues to apply.

Mexico

Tamsa is the only producer of seamless steel pipe in Mexico. Accordingly, Tenaris s competition in the Mexican market is limited to imported products manufactured by foreign companies.

Competition in the Mexican market has been increasing in recent years, as the Mexican government has entered into free trade agreements that reduce trade barriers and gradually eliminate tariffs on steel imports from these countries, including seamless steel pipes. In December 1992, Mexico became party to NAFTA, which became effective in January 1994. Under NAFTA, duties on OCTG products have been reduced from 15% in 1993 to their current level of 0%, since the beginning of 2003. In 2000, Mexico signed a trade agreement with the EU, as a result of which EU seamless steel pipe imports have been subject to a 7% duty since 2002. This duty will be gradually eliminated by 2007.

In addition to the NAFTA and EU agreements, the Mexican government has signed trade agreements with various countries such as Chile, Bolivia, Nicaragua, Costa Rica and Uruguay. Mexico also participates with Colombia and Venezuela in the Group of Three, or the G-3. Under the G-3 agreements, duties on seamless steel pipes are being eliminated by means of a reduction of 1.08% and 0.72% (depending on the product) per year over a ten-year period beginning in 1995. Furthermore, under the agreement, there is an acceleration clause allowing acceleration of the tariff reduction as deemed convenient upon acceptance by two of the parties. Beginning July 1, 2002, the import tariff for the G-3 was set at 2.1% and 1.4% depending on the product. Presently, Mexican products exported to Chile are not subject to any import tariff.

On January 1, 1999, a new tariff of 18% became applicable to seamless steel pipe from other countries with which Mexico does not have trade agreements; this represents an increase of 3 percentage points from the previous tariff of 15%, which had been effective since 1989. The tariff was temporarily increased for some steel products (including seamless pipes) to 25% in September 2001 and again to 35% in March 2002, and remained at 35% until September 2002, at which point it was reduced to 25%. The tariff is scheduled to be reduced to 18% in September 2003.

On October 5, 1993, Tamsa formally requested that the Mexican *Secretaría de Economía*, or SECON (formerly SECOFI), initiate an antidumping investigation into the importation of seamless steel commercial pipes from the United States. On October 11, 1995, SECON published a final determination, which continues to apply, imposing a tariff of 82.4% on specified seamless steel cold-drawn pipes from the United States. On May 22, 2001, SECON published in the Official Gazette a resolution revoking the antidumping duties against cold-drawn carbon steel pipes produced in the United States.

On March 11, 1999, Tamsa formally requested that SECON initiate an antidumping investigation into the import of seamless steel line pipes from Japan. This investigation led to the imposition of preliminary dumping duties of 99.9% in November 1999, and to definitive duties in the same amount in November 2000, that continue to apply to these products.

Canada

Tenaris makes domestic sales in Canada through AlgomaTubes, the sole producer of seamless steel pipe in Canada, as well as export sales to Canada by Tenaris s other manufacturing companies. In both cases, Tenaris competes in the Canadian market against other Canadian welded pipe producers and against other importers of seamless and welded pipe. Canada does not impose significant tariffs on seamless steel pipe imports, creating a competitive market that resembles the international markets for those products.

Italy

In Italy and elsewhere in the EU, Tenaris competes against European and non-European producers of seamless steel pipe products, most notably V&M Tubes. In Italy, Dalmine faces additional competition in the commercial, gas and standard pipe sector from Pietra S.p.A, a privately-owned Italian tube producer.

As import barriers have fallen, the Italian and other EU markets for seamless steel pipe products have become increasingly competitive. During 2002, imports of seamless pipes into the EU from countries outside of the EU, which maintained their share of the market in products of medium-to-low quality, were again strong. Tenaris s sales in Italy were adversely affected by these imports because they were often offered at prices significantly lower than Tenaris s prices. In February 2000, the European Commission granted the requests of the European seamless pipe industry and acknowledged that competing exports from Ukraine and Croatia were being dumped into the EU and were causing serious injury to EU manufacturers. As a result, substantial antidumping duties and restrictions were imposed on both these countries. This action followed a successful similar proceeding brought by the European seamless steel pipe industry against producers in Russia, Poland, the Czech Republic, Slovakia, Romania and Hungary, which resulted in antidumping penalties and other equitable remedies in November 1997. These measures, which are still being enforced in spite of having expired in 2002, are currently under review by the European Commission.

Japan

NKKTubes is a leading producer of seamless steel pipes in Japan. In the domestic market, it competes against Sumitomo Metal, Kawasaki Steel and Nippon Steel. On September 27, 2002, Kawasaki Steel and NKK, Siderca s partner in NKKTubes, consummated a business combination through which they became subsidiaries of JFE. JFE continues to operate the former Kawasaki Steel s seamless steel pipe business in competition with NKKTubes.

Capital Expenditure Program

In recent years, Tenaris has undertaken a major round of capital investment projects at its three integrated facilities in Argentina, Mexico and Italy. The focus of these major capital investment projects has been to upgrade these facilities to state-of-the-art status in terms of automation and quality control, and to expand Tenaris s capacity to produce premium quality and other high-grade products.

At Tenaris s Campana facility in Argentina, as a result of a three year program completed in 2000 at a cost of approximately USD160 million, Tenaris added new heat treatment facilities, completed the modernization of the steel shop, expanded rolling mill capacity that allowed production of products with restricted tolerances, expanded the finishing line for premium joints and added processes in the mid-range cold rolling mill to simplify production flows and optimize manufacturing times. Subsequently, Tenaris added a new threading line for premium joints, installed a phosphorus coating plant, expanded coupling producing facilities and installed electromagnetic stirring capabilities.

At Tenaris s Veracruz facility in Mexico, approximately USD144 million was invested in the capital expenditure program over the last three years with a focus on automation, production, benchmarking, mill compliance and increased capacity for value-added products. Tenaris completed improvements in the melt shop and in the continuous casting process, which involved the installation of a new vacuum

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degassing system, a new vibramold oscillator and touch-panel control systems that monitor each phase of the production process throughout the entire Veracruz facility. In addition, in the finishing areas, Tenaris completed improvements for wall thickness assurance and threading and finishing lines, and added a new hydraulic testing system and a new straightening machine. Tenaris also expanded and modernized the heat treatment facilities, raising capacity for heat-treated pipes by 20% from 375,000 tons per year to 450,000 tons per year, by expanding the existing furnaces and adding a quenching head, a straightening machine, a finishing line and additional floor space to the heat treatment area. In addition, Tenaris completed the construction of a 12,000 square meter office complex and made investments in its auto components facility, which has an annual production capacity of five million parts. Tenaris continued to make investments in its environmental compliance program, including investments in a waste-monitoring system, as well as in an Enterprise Resource Program and the SAP/R3 in the administration, financing and purchasing departments.

At Tenaris s Dalmine facility in Italy, approximately 158 million was invested over the past four years as part of a major overhaul capital expenditure program. Tenaris gave particular attention to automation, mill compliance, production cost reduction, quality enhancement and new product development. In the melt shop and in the continuous casting machines, Tenaris nearly finished implementation of a new automation system and enhanced process control. In addition, to satisfy higher quality demand, Tenaris invested in vacuum degassing and new electromagnetic stirring and refurbished various equipment. Tenaris completely redesigned the small diameter pipe mill to attain higher productivity and achieve better quality. Tenaris also substituted all the control and finishing lines with a new automated production line up to the pipe packing stage. This enhanced line can process pipes up to 24 meters long. In the medium size pipe mill, Tenaris invested in new automation and process control, redesigning the control pulpits with touch-panel control systems. Tenaris also heavily renovated the mill to enable it to produce heavier and longer pipes with higher productivity and better yield. In addition, Tenaris refurbished all the finishing lines and the heat treatment to reduce production costs, achieve better quality and comply with new products requirements. Tenaris made similar investments in its other facilities located in Italy.

As part of Tenaris s capital expenditure program, Tenaris makes regular expenditures at all of its facilities to respond to changes in market environment, maintain flexible operations and improve environmental and safety conditions. The total amount spent by Tenaris for capital expenditure programs in 2002 was USD124.6 million.

Capital expenditure projects planned for 2003 include further enhancements to the premium joint finishing lines at the Campana facility, enhancement of the cold-rolling mill and coupling production facilities at the Veracruz facility, improving the medium sized rolling mill s productivity and finishing line dimensional tolerances at Dalmine, updating automation and process control at NKKTubes, increasing finishing line capacity at AlgomaTubes, and new heat treatment facilities at Confab.

Information Technology

In addition to Tenaris s capital expenditures at its plants, Tenaris has invested in the integration of its production, commercial and managerial activities. These investments are intended to promote the further integration of Tenaris s operating facilities and enhance Tenaris s ability to provide value-added services to its customers worldwide. These investments include:

- the installation of new globally integrated commercial systems to improve customer service capabilities, including an order tracking system available to major customers via Internet;

- the establishment of a specialized procurement company with an internet portal to reduce purchasing costs and enhance logistics;

the establishment of a new centralized data center to improve the quality, speed and reliability of the information and IT services; *and*

the implementation of various IT improvements.

During 2002 these investments totaled USD14.6 million. The specialized procurement company, known as Exiros, is owned by Lomond Holdings, in which Tenaris holds 100% of the shares. Through this company and the Exiros portal, Tenaris has centralized its procurement activities and provides procurement agency services to Siderar and other industrial companies principally in Latin America. On July 21, 2003, Tenaris purchased from Siderar a 25% interest in Lomond Holdings for a total of USD304,000.

Subsidiaries

Tenaris operates primarily through subsidiary companies. For a complete list of Tenaris s subsidiaries and a description of Tenaris s investments in other companies, see notes B and 10 to Tenaris s audited consolidated combined financial statements included in this prospectus.

Seamless Steel Pipe Manufacturers

Siderca

Tenaris or its predecessors have held a large majority position in Siderca since that company s inception in 1948. Pursuant to the exchange offer concluded in December 2002, we acquired an additional 27.94% of Siderca s outstanding capital stock, reaching a 99.11% direct and indirect holding in Siderca. On April 24, 2003, we completed a unilateral acquisition under Argentine law of the remaining minority shareholders stock and, as a result, Siderca became a wholly-owned subsidiary of the Company. Siderca is the sole producer of seamless steel pipe products in Argentina.

Tamsa

In June 1993, through a subsidiary of Siderca that held a 5.65% interest in Tamsa, Tenaris invested USD67.1 million to acquire an additional 17.51% interest in Tamsa. Since this investment, Tenaris, directly or indirectly, has made additional purchases of Tamsa s ordinary stock. Pursuant to the exchange offer concluded in December 2002, we acquired 43.73% of Tamsa s ordinary stock. On April 30, 2003, Tamsa cancelled 3,650,000 shares of Tamsa held by its subsidiary Tamsider and, as a result, our ownership of Tamsa s total outstanding capital stock was reduced to 94.44%. As of July 31, 2003, Tenaris beneficially owned directly or indirectly 94.44% of Tamsa s ordinary stock. Tamsa is the sole producer of seamless steel pipe products in Mexico.

Dalmine

In February 1996, through a subsidiary of Siderca, our predecessor acquired a 37.15% interest in Dalmine. Since this initial investment, we or our predecessors, directly or indirectly, made additional purchases of Dalmine s ordinary stock. Pursuant to the exchange offer concluded in December 2002, we acquired 41.19% of Dalmine s ordinary stock. Since that date, we engaged in various open-market transactions in accordance with applicable law through which we acquired an additional 1.6% of Dalmine s ordinary stock, reaching a 90.0% direct and indirect holding in Dalmine. On June 23, 2003, we launched a tender offer in Italy for the remaining shares of Dalmine. Upon completion of the tender offer on July 11, 2003, we held, directly or indirectly, 96.8% of the shares of Dalmine. We also engaged in various open-market transactions for Dalmine s ordinary stock, in accordance with applicable law, through which we acquired, as of July 31, 2003, a 97.6% direct and indirect holding

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in Dalmine. On July 17, 2003, Dalmine was delisted from the Milan Stock Exchange. Dalmine is the leading producer of seamless steel products in Italy and a leading producer of seamless steel products in the EU.

Tavsa

On October 9, 1998, Tamsa and the Venezuelan government entered into a joint venture agreement, pursuant to which Tamsa acquired 70% of Tavsa, a company formed to run the seamless pipe business formerly part of Sidor, for an initial equity contribution of USD11.7 million. The Venezuelan government holds the remaining 30% of Tavsa. In June 2000, Tamsa made an additional cash contribution of USD4.4 million.

AlgomaTubes

On June 14, 2000, Siderca and Algoma Steel entered into an agreement pursuant to which Siderca, through its newly incorporated Canadian subsidiary, AlgomaTubes, leases and operates Algoma Steel s seamless steel pipe manufacturing facilities in Sault Ste. Marie, Ontario, Canada. The lease agreement, which came into effect on October 1, 2000, has a term of 20 years, and contemplates a purchase option by Siderca. Siderca also has the right to terminate the lease at any time upon 24 months notice or, in specified circumstances, upon shorter notice. AlgomaTubes is the sole seamless steel pipe producer in Canada. On May 23, 2003, Tenaris announced that it had signed a letter of intent to purchase for a price of 12.5 million Canadian dollars land and manufacturing facilities in Canada currently leased by AlgomaTubes. The purchase is scheduled to be completed by the end of the year but remains subject to an agreement with the United Steelworkers of America and various approvals by the Canadian government.

NKKTubes

On May 24, 2000, Siderca and NKK agreed to form a new company, NKKTubes, to take over NKK s seamless steel pipe business. Siderca and NKK own 51% and 49% respectively of NKKTubes, which began operations on August 1, 2000. In connection with the NKKTubes joint venture, NKK agreed to license to Tenaris its manufacturing technology, patents and trademarks for manufacturing steel (for use in the manufacturing of seamless steel pipe) and seamless steel pipe. NKK also agreed to license its manufacturing technology, patents and trademarks for making premium connections to Tenaris. Amounts accrued under these agreements were Japanese yen 174.6 million in 2002, Japanese yen 112.2 million and USD0.8 million in 2001 and Japanese yen 548.6 million and USD0.1 million in 2000. In February 2002, Tenaris acquired NKK s manufacturing, technology, patents and trademarks for making premium connections for USD1.9 million. In connection with NKK and Kawasaki Steel s business combination, effective on September 27, 2002, NKK s 49% interest in NKKTubes was transferred to a subsidiary of JFE. In addition, Siderca and NKK signed on September 25, 2002 an agreement that amends certain provisions of the various agreements relating to the creation and governance of NKKTubes. On April 1, 2003, the licensing agreements relating to NKK s technology were terminated. Under the terms of the termination agreement, Tenaris will not have access to NKK s technology and know-how in the future but will continue to use the technology and know-how already licensed to it. In addition, the termination of the licensing agreements would not affect Tenaris s rights to the NKK range of premium connections, which Tenaris acquired in 2002. For a discussion of NKK and Kawasaki Steel s business combination, see Business Competition Global Market Japan.

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Welded Steel Pipe Manufacturers

Siat

In 1986, Tenaris acquired through Siderca 100% of Siat. Since this initial investment, Siderca has exercised control of Siat. In December 1992, Siderca transferred a 30% interest in Siat to Confab in exchange for a 30% interest in Confab s then subsidiary, Confab Tubos S.A.

Confab

In August 1999, Tenaris acquired through Siderca a 38.99% interest (99.22% of voting capital) in Confab for USD43.5 million. Since this initial investment, Siderca has exercised control of Confab. In addition to its main welded tubes business, Confab also manufactures and sells industrial equipment of various specifications and for diverse applications, including liquid and gas storage equipment, standard and high-pressure vessels, pulping equipment and direct fire heaters.

Tenaris Global Services

Over a number of years, San Faustín or its predecessor established various companies, representative offices and other assets around the world that provide sales and marketing services primarily to the Tenaris companies. On October 18, 2002, these companies, representative offices and other assets were separated from the Techint commercial network, an extensive commercial network with operations worldwide providing sales and marketing services to the Techint group, and reorganized as subsidiaries, representative offices and other assets of Tenaris Global Services, a wholly-owned subsidiary of Tenaris. Furthermore, effective as of December 17, 2002, all the export agency agreements that the Tenaris companies were parties to with companies in the Techint commercial network not subject to the reorganization described above were assigned to Tenaris Global Services or its subsidiaries.

Dalmine Energie

Dalmine Energie was established in 1999 as a wholly-owned subsidiary of Dalmine. Initially formed to supply electricity to Dalmine and to other industrial users, it has rapidly expanded and currently supplies electricity to many industrial companies in northern and central Italy.

Metalmecánica

Tenaris also has a 100% interest in Metalmecánica, an Argentine manufacturer of oil well sucker rods, couplings and accessories. Metalmecánica has production facilities in the Argentine province of San Luis and is the leading producer of sucker rods for the oil and gas industry in Latin America. Metalmecánica has an annual production capacity of 800,000 sucker rods and also produces couplings, accessories, weighted and polished bars all to the high specifications demanded by the oil and gas industry.

Other Investments

Amazonia

In January 1998, Amazonia purchased a 70.0% equity interest in Sidor from the Venezuelan government, which retained the remaining 30.0%. Tamsider held an initial 12.5% equity interest in Amazonia, which increased to 14.1% in March 2000 as a result of additional investments described below. As of December 31, 2002, Tamsider s equity interest in Amazonia remained at 14.1%.

In connection with the 2003 restructuring of Sidor and Amazonia s debt discussed below, Tamsider purchased a 24.4% equity interest in Ylopa. After the consummation of the restructuring on June 20, 2003, Tamsider capitalized in Amazonia a convertible subordinated loan made to Amazonia in connection with the 2000 restructuring described below and, as a result, increased its participation in Amazonia to a 14.5% equity interest, and Ylopa held new debt instruments of Amazonia convertible, at Ylopa s option at any time after June 20, 2005, into a 67.4% equity interest of Amazonia. In addition, the Venezuelan government s ownership in Sidor increased to 40.3%, while Amazonia s beneficial ownership in Sidor decreased to 59.7%. As part of the June 2003 restructuring, all the Amazonia shares, as well as all the shares of Sidor held by Amazonia, were placed in trust with Banesco Banco Universal, as trustee.

Sidor, located in the city of Guayana in southeast Venezuela, is the largest integrated steel producer in Venezuela and the sixth largest integrated steel producer in Latin America, with an installed capacity of more than 3.5 million tons of liquid steel per year. Sidor shipped 2.9 million tons of steel in 2001, and 3.2 million tons in 2002.

Sidor has experienced significant financial losses and other problems since the acquisition by Amazonia in January 1998, despite a significant reduction in Sidor s workforce and management s efforts to improve the production process and reduce operating costs. In 1999, due to negative conditions in the international steel market, a sustained and intensifying domestic recession in Venezuela, deteriorating conditions in the credit markets, an increase in the value of the Venezuelan currency relative to the U.S. dollar and other adverse factors, Sidor and Amazonia incurred substantial losses and were unable to make payments due under loan agreements with their respective creditors. In 2000, these loan agreements were restructured. Despite continued efforts by Sidor s management to improve technology and optimize production levels, in late 2001 Sidor and Amazonia were again unable to make payments due under the restructured loan agreements, following a continuation and aggravation of the same negative factors described above accompanied by increased competition from steel imports in Venezuela. As of December 31, 2002, Sidor had approximately USD1.58 billion of indebtedness (secured in part by fixed assets valued at USD827 million as determined at the time Sidor s loans were restructured in March 2000) and Amazonia had approximately USD313 million of indebtedness.

2000 Restructuring. As a result of the adverse trends discussed above, in connection with the restructuring concluded in 2000 Tamsider made additional capital contributions to Amazonia, while recording significant losses in the value of its investment. In addition to its initial capital contribution of USD87.8 million, Tamsider was required to make capital contributions to Amazonia in the amount of USD36.1 million (of which USD18.1 million was an additional capital contribution and USD18.0 million took the form of a convertible subordinated loan to Amazonia). The value of Tamsider s investments (as recorded in our audited consolidated financial statements) has decreased significantly since 1998, from USD94.2 million as of December 31, 1998, to USD13.2 million as of December 31, 2002. Due to Sidor s financial situation, as described above, at December 31, 2001, Tamsider recorded a valuation allowance in the amount of MXP154,688 thousand in order to reduce the value of its investment in Amazonia and the subordinated convertible debentures.

Expiration of Performance Bond. The Sidor purchase agreement between Amazonia and the Venezuelan government required the shareholders of Amazonia, including Tamsider, to indemnify the government for breaches by Amazonia of the Sidor purchase agreement up to a maximum amount of USD150 million, for five years from the acquisition. In connection with this indemnity, the shareholders of Amazonia were required to maintain a performance bond (which Tamsa guaranteed directly in proportion to its interest in Amazonia) for five years, beginning in 1998, in the amount of

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USD150 million during the first three years, USD125 million in the fourth year and USD75 million in the fifth year. The guarantee expired in January 2003.

2003 Restructuring. On June 20, 2003, Sidor, Amazonia and their creditors (including the Venezuelan government) consummated a restructuring of the Sidor and Amazonia debt. Under the terms of the restructuring:

Ylopa purchased all of Amazonia s bank debt and a portion of Sidor s bank debt for a total amount of USD133.5 million;

Sidor purchased a portion of its own bank debt for a total amount of USD37.9 million;

the remainder of Sidor s bank debt was refinanced and the lenders agreed to the payment by Sidor of lower interest rates and a longer tenor;

Ylopa assigned to Amazonia all of the debt it purchased in exchange for debt instruments of Amazonia convertible into a 67.4% equity interest in Amazonia at Ylopa s option;

the Venezuelan government capitalized half of the debt owed to it by Sidor and consequently increased its equity ownership interest in Sidor to 40.3%;

the remainder of the debt owed to the Venezuelan government was refinanced;

certain agreements entered to in connection with the 2000 restructuring were terminated and the Amazonia shareholders, including Tamsider, were released from:

the guarantees they had provided with respect to the principal and a portion of the interest payable under the loan made to Sidor by the Venezuelan government;

their obligations under a certain put agreement that previously required them to purchase up to USD25 million in loans payable by Amazonia to its private lenders; *and*

their obligations under a letter to these lenders contemplating the possibility of additional capital contributions of up to USD20 million in the event of extreme financial distress of Sidor; *and*

beginning in 2004, but in no event before the first USD11 million of Sidor s excess cash (determined in accordance with the restructuring documents) has been applied to repay Sidor s bank debt, 30.0% of Sidor s distributable excess cash for each year (determined in accordance with the restructuring documents) will be applied to repay Sidor s restructured debt, and any remaining distributable excess cash for such year will be paid as follows:

59.7% to Ylopa (until 2012 or such earlier year in which Ylopa has received an aggregate amount of USD324 million) or Amazonia (after expiration of Ylopa s right to receive Sidor s remaining distributable excess cash), as the case may be, *and*

40.3% to the Venezuelan government.

Tenaris, through Tamsider, participated in the 2003 restructuring by making an aggregate cash contribution (mainly in the form of subordinated convertible debt) of USD32.9 million to Ylopa and by capitalizing in Amazonia convertible debt previously held by Tamsa in the amount of USD18.0 million plus accrued interest. Tenaris s indirect participation in Amazonia increased from 14.1% to 14.5% and may further increase up to 21.2% if and when all of its subordinated convertible debt is converted into equity.

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Following completion of the restructuring between Sidor, Amazonia and their creditors (including the Venezuelan government), Sidor had approximately USD791.0 million of indebtedness outstanding and Amazonia had no financial indebtedness outstanding. Sidor s financial indebtedness was made up of three tranches, one of USD350.5 million to be repaid over 8 years with one year of grace, one of USD26.3 million to be repaid over 12 years with one year of grace and the remaining tranche of USD368.6 million, to be repaid over 15 years with one year of grace. In addition, Sidor s commercial indebtedness with certain Venezuelan government-owned suppliers amounted to USD45.4 million, to be repaid over the next five years.

After consummation of the 2003 restructuring, Tamsider continues to bear the risk of further losses in the equity value of its investment in Amazonia as well as losses in the equity value of its investment in Ylopa, but none of Tamsa, Tamsider or Ylopa guarantees the restructured indebtedness of Sidor. The restructuring agreements contemplate, however, certain continuing obligations and restrictions, including:

- pledges to the Sidor financial lenders of Sidor and Amazonia shares, which will remain in effect for two years from the date of the restructuring so long as no event of default has occurred and is continuing under Sidor s refinanced loan agreements;

- pledges to the Sidor financial lenders of any future debt of Amazonia, which will remain in effect until such time as the pledges of the Amazonia and Sidor shares referred to above are released;

- negative pledges not to create, incur or suffer to exist a lien (other than certain permitted liens) over any of the equity or debt of Amazonia held by, or owed to, the Amazonia shareholders; *and*

- restrictions on the ability to institute or join a proceeding seeking the liquidation, bankruptcy or reorganization of Amazonia or Sidor.

Siderar

Tenaris no longer owns any interest in Siderar.On December 4, 2001, Siderca disposed of its interest in Siderar through a dividend to Siderca shareholders. Immediately prior to the dividend, Siderca owned 10.71% of Siderar. As of December 4, 2001, when Siderca disposed of its interest in Siderar, other companies within the Techint group owned directly or indirectly additional interests in Siderar. With a total annual production capacity of two million tons of hot- and cold-rolled coils and sheets, Siderar is the principal integrated manufacturer of flat steel products in Argentina.

Raw Materials and Energy

At Tenaris s integrated seamless steel pipe facilities in Argentina, Mexico and Italy, Tenaris s principal raw materials are iron ore, ferrous scrap, pig iron, pre-reduced iron, DRI, including DRI in hot briquetted form, or HBI, and ferroalloys. These are processed in electric furnace steel shops into steel bars and ingots which are then further processed in our rolling mills and finishing lines into seamless steel products. In Argentina, Tenaris produces its own DRI using iron ore imported from neighboring Brazil and sources its ferrous scrap domestically through Scrapservice S.A., its Argentine scrap collecting and processing subsidiary. In Mexico, Tenaris imports most of its pig iron and DRI requirements and purchases ferrous scrap from domestic and international markets. In Italy, Tenaris purchases pig iron and ferrous scrap from European and international markets as well as special metals for certain products. Tenaris coordinates its purchases of ferroalloys worldwide. Below we have provided a more complete description of the raw material and energy situation at Tenaris s integrated facilities in these three countries.

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At Tenaris s other seamless steel facilities, Tenaris uses round steel bars and ingots as its principal raw materials. In Japan, NKKTubes purchases these materials from JFE, and in Venezuela, Tavsa purchases these materials from Sidor. In each case, those purchases are made under supply arrangements pursuant to which the purchase price varies in relation to changes in the costs of production. As a result of their location within a larger production complex operated by the supplier, both NKKTubes and Tavsa are substantially dependent on these contracts for the supply of raw materials and energy. JFE uses imported iron ore, coal and ferroalloys as principal raw materials for producing steel bars at Keihin and Sidor uses domestic iron ore and domestic and imported ferroalloys as its principal raw materials. In Canada, AlgomaTubes uses steel billets currently supplied by Tenaris s integrated facilities in Argentina and Mexico.

In its welded facilities, Tenaris purchases steel sheets and steel plates principally from domestic producers for processing into welded steel pipes.

Integrated Production Facility in Argentina

At its Campana facility in Argentina, operated by Siderca, Tenaris varies within limits the proportion of ferrous scrap iron to DRI that it uses to manufacture its products based on the relative price of these inputs. Tenaris consumed 583,000 tons of DRI and 438,000 tons of scrap in 2002 (compared to 529,000 tons of DRI and 624,000 tons of scrap in 2001).

Tenaris operates a Midrex DRI production plant in Argentina to generate DRI. Tenaris purchases its raw material requirements for manufacturing DRI in the form of pellets and lump ore under long-term contracts from suppliers in neighboring Brazil. Prices under these contracts are fixed on an annual basis in accordance with market conditions and follow the prices agreed between the major iron ore exporters and their main steel industry clients. Tenaris s annual consumption of iron ore in Argentina ranges between 900,000 and 1,200,000 tons and is supplied primarily by *Companhia Vale do Rio Doce, Minerações Brasileiras Reunidas* and *Samarco Mineração S.A*. Tenaris transports the iron ore itself, taking advantage of dry bulk cargo vessels on their return from Europe and utilizing its own port facilities. Tenaris has the capacity to store approximately 350,000 tons of iron ore, or enough to supply its manufacturing activity in Argentina for four months. Tenaris s average cost of iron ore decreased by 6% in 2002 compared to 2001.

Tenaris obtains a small portion of its ferrous scrap requirements from its internal operations. To meet the remainder of its requirements for ferrous scrap at competitive prices, Tenaris created Scrapservice, which is engaged in the processing of ferrous scrap from automobiles. Scrapservice processes approximately 300,000 tons of ferrous scrap per year. Tenaris s average cost of ferrous scrap at Campana decreased by 47% in 2002 compared to 2001, due to the Argentine peso devaluation that has led to a substantial drop in terms of the U.S. dollar price of these inputs.

Tenaris consumes large quantities of electricity (approximately 1,000,000 megawatts per year) for its manufacturing activities at the Campana facility, particularly in the operation of the electric furnaces used to melt DRI and ferrous scrap. Argentina has a number of large hydroelectric, nuclear and other electricity-generating facilities that Tenaris believes will continue to ensure a reliable source of electric power. Moreover, the electricity-generation market was deregulated in 1989, which has stimulated investments in expanding capacity, greater competition and competitive prices. Tenaris obtains its requirements of electric power in Argentina through self-generation at its thermoelectric plant (28% of total in 2002) and supply contracts with local generators (72% of total in 2002). Tenaris s average cost of electricity in Argentina decreased by 64% in 2002 compared to 2001, due to the Argentine peso devaluation that has led to a substantial drop in terms of the U.S. dollar price of these inputs.

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On February 19, 2003, Siderca acquired from CenterPoint Energy Light, Inc., a subsidiary of CenterPoint Energy, Inc., a 100% interest in Reliant Energy Cayman Holdings, Ltd, a company whose principal asset is an electric power generating facility located in San Nicolás, 300 kilometers to the west of Buenos Aires, Argentina. The price paid was USD23.1 million. The power plant is a fully modern gas turbine facility which came on stream in 1998 and has a power generation capacity of 160 megawatts and steam production capacity of 250 tons per hour. As a result of the purchase, Tenaris s operations at Siderca, which consume around 160 megawatts at peak production and an average of 90 megawatts, have become self-sufficient in electric power requirements. Power generated at the plant that is in excess of Siderca s requirements will be sold on the open market and steam will continue to be sold to Tenaris s affiliate, Siderar, which operates a steel production facility in San Nicolás.

Tenaris also consumes substantial volumes of natural gas in Argentina, particularly in the generation of DRI and to operate the thermoelectric plant. The natural gas market in Argentina was deregulated in 1992 and divided into three sectors: production, transportation and distribution. Tenaris entered into long-term supply arrangements with Repsol YPF and Tecpetrol S.A., a Techint group company, for the purchase of natural gas produced by these companies. These contracts expired in 2002 with the option for renewal. The Repsol YPF contract has been renegotiated and will expire in 2006. Tecpetrol supplies Siderca with such of Siderca s natural gas requirements that are not supplied by Repsol YPF on terms and conditions that are equivalent to those governing the supply of natural gas by Repsol YPF to Siderca. On April 4, 2003, Tecpetrol and Siderca entered into an agreement under which Siderca paid USD15.3 million for the advance purchase of 760 million cubic meters of natural gas to be delivered to Siderca s seamless steel pipe facilities and its newly acquired power generation facility over a period of five years on pricing terms that will enable Siderca to share through discounts the impact of any increase in natural gas prices over that period with Tecpetrol. Under the terms of this agreement, Siderca will have a minimum guaranteed return on this advance payment equal to LIBOR plus 3.5%. Tecpetrol s sales to Siderca in 2002 amounted to USD3.4 million, USD4.5 million in 2001, and USD6.8 million in 2000. Tenaris has also entered into transportation and distribution agreements with Transportadora de Gas del Norte S.A., or TGN, and Gas Natural Ban S.A., or Gasban; these contracts will expire in 2004 and may be renewed at that time. The Techint group has a significant investment in TGN. Finally, for the distribution phase, Tenaris has entered into a supply contract with Gasban that expires in 2004. At times when the cost of natural gas is high, Tenaris can reduce its production of DRI by using more ferrous scrap and replace natural gas with fuel oil to operate the thermoelectric plant. Tenaris s average cost of natural gas (including transportation and distribution) decreased by 62% in 2002 compared to 2001, due to the Argentine peso devaluation which has led to a substantial drop in terms of the U.S. dollar price of these inputs.

Integrated Production Facility in Mexico

At Tenaris s Veracruz facility in Mexico, operated by Tamsa, Tenaris obtains its supply of DRI and pig iron mainly from foreign suppliers. During 2000, 2001 and 2002, the percentage of DRI, including HBI, and pig iron used in the steel shop represented approximately 37%, 38% and 40%, respectively, by weight, of the total metal requirements. Tenaris obtained the rest of its metal requirements for 2000, 2001 and 2002 from the domestic market, the United States and other scrap-exporting countries. Tenaris has its own scrap collection yard in Coatzacoalcos, Veracruz, which started operations in June 1998.

Reflecting the effects of worldwide steel crisis in 2001, the average cost of Tamsa s metallic raw materials experienced a 14% decrease in 2001 followed by a gradual recovery that generated a 9% increase in raw material costs for 2002.

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Tenaris s purchases of raw materials through Tamsa are made pursuant to primarily short-term supply arrangements. However, to secure a long-term supply of HBI, Tenaris entered into an off-take contract with *Complejo Siderúrgico de Guayana C.A*., or Comsigua, to purchase on a take-and-pay basis 75,000 tons of HBI annually for twenty years beginning in April 1998 with an option to terminate the contract at any time after the tenth year upon one year s notice. Pursuant to this off-take contract, Tenaris would be required to purchase the HBI at a formula price reflecting Comsigua s production costs during the first eight contract years; thereafter, it would purchase the HBI at a slight discount to market price. The agreements among the joint venture parties provide that, if during the eight-year period the average market price is lower than the formula price paid during such period, Tamsa would be entitled to a reimbursement of the difference plus interest, payable after the project financing and other specific credits are repaid. In addition, under the arrangements entered into with Comsigua s other shareholders, Tenaris has the option to purchase on an annual basis up to a further 80,000 tons of HBI produced by Comsigua at market prices. Under its off-take contract with Comsigua, as a result of weak market prices for HBI, Tenaris has paid higher-than-market prices for its HBI and has accumulated a credit that, at December 31, 2002, amounted to approximately USD12.6 million. This credit, however, is offset by a provision for an equal amount recorded as a result of Comsigua s weak financial condition.

In connection with Tenaris s original 6.9% equity interest in the joint venture company, Tenaris paid USD8.0 million and agreed to cover its proportional share (7.5%) of Comsigua s cash operating and debt service shortfalls. In addition, Tenaris pledged its shares in Comsigua and provided a proportional guarantee in support of the USD156 million (USD88.5 million outstanding as of December 31, 2002) project financing loan made by the International Finance Corporation, or IFC, to Comsigua. In February and May 2002 and in January 2003, Tenaris was required to pay and accordingly paid an aggregate of USD1.5 million, representing its share of a shortfall of USD14.7 million payable by Comsigua under the IFC loan and additional operating shortfalls of USD5.3 million. Comsigua s financial condition has been adversely affected by the consistently weak international market conditions for HBI since its start-up in 1998 and, unless market conditions improve substantially, Tenaris may be required to make additional proportional payments in respect of its participation in the Comsigua joint venture and continue to pay higher-than-market prices for its HBI pursuant to its off-take contract.

Tenaris s Veracruz facility consumes large quantities of electric power, particularly in operating the electric furnaces used to produce steel. This electric power is furnished by the Mexican government-owned *Comisión Federal de Electricidad,* or the Federal Electric Power Commission. Tenaris s cost of electric power in Mexico increased by approximately 4% in 2001 and 1.4% in 2002. This increase is primarily due to higher electric power rates resulting from higher fuel prices and the appreciation of the Mexican peso.

Tenaris purchases from Pemex, at prevailing international prices, natural gas used for the furnaces that reheat steel ingots in the pipemaking process. Natural gas costs in Mexico increased approximately 21% in 2001, and due to the hedging strategy described below, natural gas costs decreased 19% in 2002. On February 22, 2001, Tenaris entered into a three-year agreement with Pemex to receive approximately 296,600 million British Thermal Units, or BTUs, of natural gas on a monthly basis from January 1, 2001, to December 31, 2003, at a fixed price of USD4.00 per million of BTUs. In order to cover a decrease in natural gas prices, on March 2, 2001, Tenaris entered into a forward contract with Enron North America Corp., or Enron, with the option to sell up to 200,000 million BTUs per month of natural gas at a minimum base price of USD4.05 per million BTUs from March 2002, through December 2003. As a result of Enron s bankruptcy in late 2001, no reasonable prospect exists of exercising Tenaris s option under this contract and, consequently, the premium paid to Enron

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of USD2.3 million for this put option was fully written off during the fourth quarter of 2001. In order to reduce its exposure to above-market prices under the natural gas supply agreement with Pemex, Tenaris entered into agreements with Citibank, N.A., New York, or Citibank, and JPMorgan Chase in March 2002 and April 2002. The economic effect of the agreements with Citibank and JPMorgan Chase is to permit Tenaris to purchase 320,000 million BTUs per month at market prices instead of at the USD4.00 per million BTU rate charged by Pemex, resulting in a more favorable price to Tenaris for natural gas so long as the market price remains below USD4.00. Under the agreements with Citibank and JPMorgan Chase, Tenaris must continue to make its purchases of natural gas at market prices even if the market price rises above USD4.00 per million BTUs, thereby exposing Tenaris to the risk in the future of rising market prices. Also, under the agreements, Tenaris must continue to make purchases at the USD4.00 per million BTU rate if the market price of natural gas falls to USD2.00 per million BTUs or lower (as it did during the period from May 1, 2002, to February 28, 2003) or to USD2.25 per million BTUs or lower (as it must do during the period from March 1, 2003 to December 31, 2003). In addition, under each of the agreements with Citibank and JPMorgan Chase, Tenaris is required to purchase 160,000 million BTUs of natural gas per month from January 1, 2004 to December 31, 2005 at a price of USD2.765 per million BTUs.

Integrated Production Facility in Italy

At its facilities in Italy, operated by Dalmine, Tenaris purchases approximately 65% of its ferrous scrap requirements from the Italian market, 30% from the EU (excluding Italy) and the remainder from other parts of the world. Tenaris purchases its pig iron requirements primarily from Russia, Algeria, Turkey and the Ukraine; unlike ferrous scrap purchases, which are primarily denominated in euros, Tenaris s pig iron purchases are usually denominated in U.S. dollars. High-alloy and other special quality steels are supplied under annual contracts, with prices closely linked to prevailing ferrous scrap prices. Ferrous scrap, pig iron, ferroalloys and special quality steel represented approximately 37% of our total production costs in 2002 and 39% in 2001 and 2000.

Tenaris s main facility in Italy consumes large quantities of electric power, particularly in operating the electric furnace to produce steel. Until recently, Tenaris purchased its electric power requirements from GRTN at prices established for industrial users. In the first half of 1999, the Italian government instituted deregulation measures; in July 1999, Dalmine created a wholly-owned subsidiary, Dalmine Energie, to acquire electrical and other forms of energy at lower rates for Dalmine and for other companies in the Bergamo area belonging to the *Consorzio Orobie Energia*. Dalmine Energie began to operate in January 2000, after having identified sources for the purchase of electrical energy and entered into supply contracts with companies in the consortium. Today, all of Tenaris s electric and gas power requirements are supplied by Dalmine Energie. Until recently, Tenaris purchased natural gas used to power the furnaces that reheat steel billets in the pipe manufacturing process from Snam. In October 2001, Tenaris began to purchase natural gas from Dalmine Energie, which has begun to provide natural gas in addition to the other forms of energy it supplies.

In 2002, Tenaris s energy costs in Italy were approximately 16% of total production costs, compared to 15% in 2001 and 12% in 2000.

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Employees

The following table shows the number of persons employed by Tenaris and its consolidated subsidiaries worldwide at the dates indicated.

	At December 31,		
	2002	2001	2000
Siderca	3,585	3,561	3,624
Tamsa	2,664	2,982	2,939
Dalmine	3,171	3,272	3,640
Others	4,421	4,312	2,937
Total employees	13,841	14,127	13,140

Argentina

At December 31, 2002, Siderca had 3,585 employees of whom about 70% are represented by the *Unión Obrera Metalúrgica de la República Argentina,* or UOMRA, the most important labor union in the steel manufacturing industry in Argentina, and 6% are represented by the *Asociación de Supervisores de la Industria Metalmecánica de la República Argentina,* or ASIMRA. Employees represented by UOMRA are included in a collective labor contract first entered into in 1975 that encompasses all workers in the steel and metallurgical industry. These employees are also included in supplemental agreements entered into between Siderca and them. These agreements regulate company-specific labor organization issues and compensation structures linked to performance, productivity, attendance, production levels, quality and company results. These supplemental agreements are subject to amendment if changing circumstances make it necessary, and have been continuously updated to address competitiveness, quality, security and efficiency goals. Employees represented by ASIMRA are subject only to Siderca s collective labor agreement entered into with ASIMRA. This collective labor agreement specifically establishes regulations relating to compensation, work organization, authorized absences, holidays, benefits and labor relations. Basic salary levels in the steel industry remained stable during the period in which the Convertibility Law was effective. The recent Argentine peso devaluation has led to a substantial drop in terms of the U.S. dollar values of these agreements.

The regulatory framework for employee termination allows an employer to discharge employees without cause if severance is paid based on the length of employment and determined pursuant to a specified formula. Additionally, Argentine Law No. 24,557, referred to as the Work Risk Law, establishes a compulsory insurance scheme to cover work-related injuries and illnesses. The Work Risk Law, which became effective on July 1, 1996, excludes employers from civil liability for work-related injuries and illnesses except in cases of employer fraud or, depending on judicial interpretation, gross negligence. The constitutionality of the Work Risk Law is currently being challenged.

In response to lower production levels brought about by the sharp and severe decline in oil prices late in 1998, Siderca instituted a voluntary retirement plan for its employees to address the elimination of its fourth production shift and productivity enhancement measures. This program offered some employees the option to leave Siderca on more favorable terms than those offered to employees terminated without cause under Argentine law and was carried out without union resistance or labor conflicts. Subsequently, Siderca reinstated its fourth production shift without a significant increase in the total number of employees.

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Tenaris believes that it enjoys good relations with its employees and their unions in Argentina. The last strike by our Argentine employees took place from July to September 1992 and was organized by shop-floor workers. ASIMRA, which represents most of Siderca s job supervisors, has not called a strike in the last 15 years.

Mexico

At December 31, 2002, Tamsa and its consolidated subsidiaries had 2,664 employees, including temporary workers, of whom 1,650 were production, quality assurance and maintenance personnel. Approximately 1,280 employees are represented by a local affiliate of the Mexican Confederation of Workers, or MCW, the principal labor union in Mexico, with which Tamsa has had collective bargaining agreements since 1953.

Wages and benefits for unionized employees are fixed by contracts covering a one-year period beginning May 1 of each year. Negotiations with the MCW in 2001, 2002 and 2003 resulted in wage increases of 10%, 6% and 4.8%, respectively. On December 31, 2002, Tamsa determined a statutory profit sharing liability of MXP138,583 thousand for fiscal year 2002 that was paid in May 2003.

Tenaris believes that it enjoys satisfactory relations with its employees and the MCW in Mexico. Our ability to adapt to changing market conditions in 1998 and 1999 was made possible by the implementation of temporary shutdowns, which allowed for the adjustment of production levels to market demand while maintaining efficiency and operating margins. The technical suspensions, which are contemplated by Mexican labor law, were endorsed by the MCW.

Italy

At December 31, 2002, Dalmine had 3,171 employees, including temporary employees. Most of Dalmine s employees belong to labor unions, the three largest of which are:

- the *Federazione Italiana Metalmeccanici,* or the Italian Federation of Metalworks, a member of the *Confederazione Italiana Sindacato Lavoratori,* or the Italian Federation of Labor Unions;
- the *Federazione Impiegati e Operai Metalmeccanici,* or the Italian Federation of Workers and Employees in Metalworks, a member of the *Confederazione Generale Italiana del Lavoro,* or the General Italian Federation of Labor; *and*
- the *Unione Italiana dei Lavoratori Metalmeccanici,* or the Italian Union of Metal Workers, a member of the *Unione Italiana del Lavoro,* or the Italian Labor Union.

Dalmine has specific agreements with these labor unions for all employee categories governed by the *Contratto Collettivo Nazionale di Lavoro,* or the master national labor contract; these specific agreements address matters including salary levels, working hours and benefits. Dalmine also has supplementary agreements with these unions dealing with specific issues, such as incentive programs and workshift restructurings.

In April 1999, Dalmine and the trade unions signed an agreement to implement a two-year reorganization plan to manage lay-offs and personnel reduction plans. The agreement involves the payment of extraordinary unemployment benefits until April 2001, for lay-offs over the two-year period and the use of various tools (mobility, retirement, incentives, outplacements, professional re-training, new work arrangements) to reduce excess personnel by approximately 580 employees. The reorganization plan resulted in an accrual of 15 million, recorded under extraordinary expenses in 1999.

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This reorganization plan was completed during the first half of 2001, achieving 80% success in reducing the workforce. However, in March 2001, the Ministry of Labor and Social Security issued guidelines on the application of Laws 257/92 and 271/93 concerning the payment of social security benefits to workers exposed to asbestos while working in its factories. Because of these early retirements, Dalmine decided not to request an extension of the agreement in order to fully implement its personnel reduction agreement.

In January 2003, Dalmine and the trade unions entered into a new agreement for the four-year period 2002-2005. This agreement sets forth a framework for industrial relations and provides for an incentive system that enhances the utilization of resources, gives additional operational flexibility in the facility and increases the proportion of performance-based components in total compensation.

Tenaris believes that it enjoys satisfactory relations with its employees and their labor unions in Italy. Other than work stoppages for an aggregate period of 32 hours, 26 of which were organized by labor unions nationally at the industry level (and not specifically targeted at Dalmine), Dalmine has not experienced any work stoppages or other organized disruptions involving its employees in Italy in the last three years.

Product Quality Standards

Tenaris s seamless steel pipes are manufactured in accordance with the specifications of the American Petroleum Institute, or API, and the American Society for Testing and Materials, or ASTM. The products must also satisfy Tenaris s proprietary standards as well as its customers requirements. Tenaris maintains an extensive quality control program to ensure that its products continue to satisfy proprietary and industry standards and are competitive from a product quality standpoint with products offered by its competitors. Currently Tenaris maintains ISO 9001 certification from Det Norske Veritas, a requirement for selling to the major oil and gas companies which have rigorous quality standards. The ISO 9001 quality management system assures that the product complies with customer requirements from the acquisition of raw material to the delivery of the final product. ISO 9001 is designed to ensure the reliability of both the product and the processes associated with the manufacturing operation.

In October 2001, Tenaris obtained a global ISO 9001 certification issued by Lloyds Register Quality Assurance and applicable to all of Tenaris s business. This ISO 9001 certification expires on December 14, 2003, at which time Tenaris intends to renew the certification.

Research and Development

Research and development, or R&D, of new products and processes to meet the increasingly stringent requirements of its customers is an important aspect of Tenaris s business. R&D activities are carried out primarily at specialized research facilities located at the Campana plant, operated by the *Fundación para el Desarrollo Tecnológico*, or Fudetec, and at the research facilities of the *Centro Sviluppo Materiali S.p.A.*, or CSM, in Rome. Fudetec was founded in 1989 by members of the Techint group to promote industrial and technological development in Argentina. In May 1997, Dalmine invested Italian lire 1.4 billion (0.7 million) for an 8.3% interest in CSM.

Product development and research currently being undertaken include:

- proprietary premium joint products;

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- high collapse deep water line pipe;
- high strength mechanical tubing; *and*
- internal metallic coating of tubing by plasma powder welding.

In addition to R&D aimed at new or improved products, Tenaris continuously studies opportunities to optimize its manufacturing processes. Recent projects in this area include ongoing studies for the addition of electromagnetic stirring to continuous casting with the goal of improving product quality and range.

Tenaris spent USD14.0 million for R&D in 2002, compared to USD9.7 million in 2001 and USD9.3 million in 2000.

Environmental Regulation

Tenaris is subject to a wide range of local, provincial and national laws, regulations, permits and decrees in the countries where it has manufacturing operations concerning, among other things, human health, discharges to the air and water and the handling and disposal of solid and hazardous wastes. Compliance with these environmental laws and regulations is a significant factor in Tenaris s business.

Tenaris has not been fined for any material environmental violation in the last five years, and is not aware of any current material legal or administrative proceedings pending against it with respect to environmental matters which could have an adverse material impact on its financial condition or results of operations. Tenaris has not been required or requested, nor is it aware of any obligation, to conduct remedial activities at any of its sites or facilities.

In 1991, Tamsa initiated a series of studies regarding the effects of its industrial operations on the environment. In early 1992, Tamsa began projects to implement the recommendations of these studies and to maintain compliance with the latest laws and regulations of the *Secretaría de Medio Ambiente y Recursos Naturales,* the Mexican environmental regulatory agency more commonly known as the SEMARNAT (formerly *Secretaría del Medio Ambiente, Recursos Naturales y Pesca,* or SEMARNAP), regarding air, water and soil pollution control. In 1994, Tamsa requested a voluntary review of its facilities by the SEMARNAT. In 1995, Tamsa entered into an agreement with the SEMARNAT pursuant to which it agreed to conduct periodic internal audits and undertake a number of environmental improvements. The review concluded that Tamsa was in compliance with all but two defined environmental targets. Tamsa, in cooperation with the SEMARNAT, is working towards meeting the two outstanding targets, which relate to levels of dust generated by Tamsa s manufacturing activities in Veracruz and soil conditions at Tamsa s waste management site in Villa Rica. In an effort to meet environmental targets regarding dust levels, under a proposal approved by the SEMARNAT, Tamsa completed construction of a dust storage facility in December 2001. The facility is currently operational. Tamsa is currently working with the SEMARNAT in order to define the activities permissible at the site in Villa Rica.

Insurance

Tenaris carries property, accident, fire, third party liability and other insurance (such as vehicle insurance) in amounts which are customary in the steel products industry. In some cases, insurers have the option to replace damaged or destroyed plant and equipment rather than to pay Tenaris the insured amount. Tenaris does not carry loss-of-profit or business interruption insurance.

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Litigation

BHP Proceedings

In June 1998, British Steel and Dalmine were sued by a consortium led by BHP before the Commercial Court of the High Court of Justice Queen s Bench Division of London. The action concerns the failure of an underwater pipeline built in 1994 in the Bay of Liverpool. Dalmine, at that time a subsidiary of Ilva S.p.A., supplied pipe products to British Steel, which, in turn, resold them to BHP for use in constructing the Bay of Liverpool pipeline. BHP claimed that British Steel breached the contract of sale relating to the pipe and that the pipe was defectively manufactured by Dalmine.

The products sold were valued at 1.9 million British pounds and consisted of pipe for use in maritime applications. Dalmine received court notice of the action more than two years after the contractual warranty covering the pipe had expired and four years after the pipe was delivered and placed into operation. British Steel and Dalmine denied the claim on the basis that the warranty period had expired and, in the alternative, that the amount claimed exceeded the contractual limitation of liability (equal to 300,000 British pounds, or approximately 15% of the value of the products supplied).

The Commercial Court dismissed the contract claim against British Steel. The decision was subsequently confirmed by the Court of Appeals in a ruling issued on April 7, 2000, as a result of which the claim against British Steel was definitively dismissed. BHP s product liability claim against Dalmine remained outstanding.

On November 24, 2000, the Commercial Court granted BHP permission to amend its pleading against Dalmine to include a deceit tort claim under English law based on inconsistencies between the results of internal chemical tests performed by Dalmine on the pipe and the results shown in the quality certificates issued to BHP by Dalmine. In May 2002, the trial court issued a judgment in favor of BHP, holding that the products supplied by Dalmine were the cause for the failure of the gas pipeline and that Dalmine was liable for damages to BHP. The court s judgment was limited to the issue of liability, and the amount of damages to be awarded to BHP is being determined in a separate proceeding. Dalmine s petition to the trial court for leave to appeal its judgment was denied, but subsequently granted by the Court of Appeals. However, on February 5, 2003, the Court of Appeals dismissed Dalmine s appeal, closing the dispute on the issue of liability.

BHP has indicated in court proceedings that it will seek damages of approximately 35 million British pounds to cover the cost of replacing the pipeline, 70 million British pounds to compensate for consequential damages, 73 million British pounds to cover loss or deferred revenues, 31 million British pounds to compensate for increased income tax resulting from a change in law and interest and costs for unspecified amounts. Subsequent to the court s recent judgment in favor of BHP on the issue of liability, BHP petitioned the court for an interim judgment of damages in the amount of approximately 37 million British pounds to cover the cost of replacing the pipeline. On July 31, 2002, Dalmine agreed to pay BHP 15 million British pounds in interim damages. The court is expected to hear arguments regarding, and issue its final judgment on total damages during the first half of 2004.

Based on the information provided so far by BHP, Dalmine considers that the compensation requested to cover the cost of replacing the pipeline exceeds the cost actually incurred for such purpose. Taking into consideration such information and the preliminary views of independent experts, Dalmine believes that certain of the other claims fail to show an appropriate connection with the events for which Dalmine was found responsible, while others appear to exceed the damage actually incurred.

Dalmine created a provision in the amount of 45 million in its results for 2001 to account for probable losses as a result of BHP s lawsuit, which had a substantial adverse effect on its earnings for that year. During 2002, in light of the complexity and diversity of the elements introduced into the proceedings by BHP and the consequent inability to estimate with precision Dalmine s liability, Dalmine increased the amount of the provision by 20 million, inclusive of interest accrued and legal expenses incurred in connection with such proceedings. Dalmine has stated that the provision was created and increased as a prudent way of complying with applicable accounting principles, and should therefore not be regarded as an admission of indemnification payable to the plaintiffs.

The pipe that is the subject of this lawsuit was manufactured and sold, and the tort alleged by BHP took place, prior to the privatization of Dalmine, and Techint Investments (the Siderca subsidiary party to the contract pursuant to which Dalmine was privatized) believes that, under the Dalmine privatization contract, Techint Investments should be entitled to recover from Fintecna on behalf of Dalmine (as a third party beneficiary under the Dalmine privatization contract), 84.08% of any damages it may be required to pay BHP. Techint Investments has commenced arbitration proceedings against Fintecna to compel it to indemnify Dalmine for any amounts Dalmine may be required to pay BHP. Fintecna has denied that it has any contractual obligation to indemnify Dalmine, asserting that the indemnification claim is time-barred under the terms of the privatization contract and, in any event, subject to a cap of 13 million. Techint Investments disputes this assertion. The arbitration proceedings were suspended at a preliminary stage pending a decision by the British trial court in BHP s lawsuit against Dalmine. Upon request by Techint Investments and Dalmine, the arbitration panel decided to resume the proceedings in light of the court of appeal s recent decision to dismiss Dalmine s appeal against the judgment of liability in favor of BHP.

If Dalmine were required to pay damages to BHP substantially in excess of its provision of 65 million (including consequential damages or deferred revenues), and those damages were not reimbursed to Dalmine by Fintecna, Dalmine s (and, consequently, Tenaris s) results of operations, financial condition and net worth would be further materially and adversely affected.

U.S. Seamless Steel Pipe Antidumping and Countervailing Duty Proceedings

OCTG and some of Tenaris s other products have been the subject of administrative proceedings in the United States based on allegations that Tenaris sold those products in the United States at less than fair value (antidumping proceedings) or that Tenaris received unfair government subsidies (countervailing duty proceedings). As a result, OCTG and some of Tenaris s other products are subject to substantial additional duties in the United States, essentially closing the U.S. market to many of Tenaris s principal products and limiting Tenaris s growth opportunities in an important market for seamless steel pipe products. Tenaris has repeatedly challenged the imposition of those tariffs and intends to continue to challenge them, but we cannot assure you that they will be reduced or eliminated in the future. We have provided an overview of these proceedings and their current status below.

Siderca (Argentina). Since August 1995, an antidumping duty of 1.36% has been applicable to any OCTG exports by Tenaris to the United States from Argentina. Although this tariff is relatively low, the U.S. Department of Commerce could, if annual administrative reviews are conducted, later apply additional antidumping duties retroactively, making any sales of Argentine-manufactured OCTG products to the United States excessively risky. Also since August 1995, an antidumping duty of 108.13% has been applicable to any seamless standard, line and pressure, or SL&P, pipe exports by Tenaris to the United States from Argentina. After a sunset review, in July 2001, the U.S. government determined to renew the antidumping penalties applicable to Tenaris s OCTG and seamless SL&P pipe exports from Argentina for an additional five years, except that the OCTG order was revoked with respect to drill pipe effective August 11, 2000. All of the countervailing duty proceedings have been resolved in favor of Siderca, and Siderca s exports to the United States are not currently subject to countervailing duties.

Tamsa (Mexico). Since August 1995, an antidumping duty of 23.8% (which was later adjusted to 21.7%) has been applicable to any OCTG exports by Tamsa to the United States from Mexico. This duty was lowered to 0% as of March 1999, and this rate continues to date. After a sunset review, which began in July 2000, the U.S. government renewed the antidumping penalties on Tenaris s exports of OCTG casing and tubing, but revoked the antidumping measure applicable to Tamsa s OCTG drill pipe, effective August 11, 2000.

Since August 2000, an antidumping duty of 19.6% (which was later adjusted to 15.1%) was applicable to any large diameter SL&P exports by Tamsa to the United States from Mexico, except for certain grades of line pipe used in deep water applications (water depth of 1,500 feet or more).

Dalmine (Italy). Since August 1995, an antidumping duty of 49.78% and a countervailing duty of 1.47% have been applicable to any OCTG exports by Dalmine to the United States from Italy. After a sunset review initiated in July 2000, the U.S. government determined to renew the antidumping and countervailing duty measures applicable to Tenaris s OCTG exports from Italy for an additional five years. From August 1995 until July 2000, an antidumping duty of 1.84% (which was later adjusted to 1.27%) and a countervailing duty of 1.47% was applicable to any seamless SL&P pipe exports by Tenaris to the United States from Italy. The antidumping penalties applicable to Tenaris s seamless SL&P pipe exports to the United States from Italy were rescinded as a result of a sunset review. The antidumping duty order was revoked effective August 3, 2000. The countervailing duty order was revoked effective August 8, 2000.

NKKTubes (Japan). OCTG exported to the United States by NKK Tubes is subject to an antidumping duty rate of 44.20% as a result of the measure imposed in August 1995. In 2001 this order was continued for another five years as a result of a sunset review. In June 2000, the United States imposed antidumping duty orders on large and small diameter seamless SL&P from Japan, except for large diameter line pipe used in deep water applications. The applicable rate for large diameter line pipe from NKK Tubes is 68.88%, and for small diameter it is 70.43%.

Tenaris has several pending appeals challenging the U.S. government s decision to continue the antidumping measures on Tenaris s OCTG. Nonetheless, the effect of the proceeding described above is essentially to close the U.S. market for Tenaris in these products.

In June 2001, the United States initiated a proceeding known as a 201 Investigation to impose measures that would safeguard the U.S. steel industry from increasing imports of several different steel products. Seamless tubular products of the type produced by Tenaris were determined not to be causing or threatening serious injury to the U.S. industry, and therefore were excluded from the relief ultimately granted to the U.S. industry. All steel products from Canada and Mexico were excluded for the additional reason that the special requirements of the NAFTA Agreement had not been satisfied in the case.

In April 2002, the Canadian Government initiated a similar safeguard investigation against certain steel products, including certain seamless pipe. The Canadian Government decided in May 2003 to conclude the investigation for all products.

On May 20, 2002, the Government of the People s Republic of China initiated a similar safeguard investigation against certain steel products imports including OCTG and line pipe used for oil and gas pipelines. Provisional measures were imposed for six months. On November 20, 2002, this investigation was concluded and seamless pipes were excluded from the safeguard measures.

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Argentine Tax Dispute

On December 18, 2000, Siderca was notified by the Argentine tax authorities that, in its view, Siderca s taxable income in each of fiscal year 1995 and fiscal year 1997 was understated by ARP78.9 million. As of December 31, 2002, Siderca s exposure in connection with this tax dispute was ARP41.7 million, including ARP27.7 million in principal and ARP14.1 million in interest accrued on the amount in controversy through such date. The allegedly unpaid principal will continue to accrue interest at the rate of 4% per month. Siderca believes that the amount of the alleged understatement, which related to the conversion of tax write-offs into debt consolidation bonds, was not taxable and, accordingly, has not recorded any provision in its financial statements. Siderca has appealed the Argentina tax authority s decision to the federal tax court.

Other Proceedings

Three of Dalmine s former managers have been named as defendants in a criminal proceeding, arising from the death of, or, in some cases, injuries to certain employees, before the Court of Bergamo, Italy, based on alleged negligence in having omitted to inform the employees working in a specific area of the mill of the risks connected with the use of asbestos and for having omitted to take any measures to prevent the risks connected with the use of asbestos in certain areas of Dalmine s manufacturing facilities from 1960 to the early 1980s. If its former managers are held responsible, Dalmine will be liable for damages to the 21 affected employees or their respective estates, as applicable. Dalmine is also a defendant in two civil proceedings for work-related injuries arising from its use of asbestos. The first of these proceedings was instituted on February 14, 2001, before the Court of Bergamo, Italy, by the estate of Luigi Pedruzzi, for damages in an aggregate amount of approximately 640,000. The other proceeding was instituted on June 5, 2001, before the *Commissione Provinciale di Conciliazione* of Bergamo, Italy, the mediation commission for the province of Bergamo, by the estate of Elio Biffi for an aggregate amount of approximately 770,000. In addition, some other asbestos-related out-of-court claims have been forwarded to Dalmine. The aggregate relief currently sought in out-of-court claims is approximately 3.8 million, although damages have not yet been specified in some cases. Of the 46 claims (inclusive of the 21 claims of the affected employees relating to the criminal proceeding and the out-of-court claims), 19 incidents have already been settled, either by Dalmine or by Dalmine s insurer. Dalmine estimates that its potential liability in connection with the remaining cases not yet settled or covered by insurance is approximately 7.0 million. This amount was recognized as a provision for liabilities and expenses as of December 31, 2002. While Dalmine may be subject to additional asbestos-related claims in the future, Tenaris, based on recent trends at Dalmine, does not believe that asbestos-related liabilities arising from claims already filed against Dalmine or from future asbestos-related claims are reasonably likely to be, individually or in the aggregate, material to its results of operations, liquidity and financial condition.

Tenaris and its subsidiaries are also involved in legal proceedings incidental to the normal conduct of their business, for which we have made provisions in accordance with our corporate policy and any applicable rules. Tenaris believes its provisions are adequate. Tenaris does not believe that liabilities relating to these proceedings are likely to be, individually or in the aggregate, material to its consolidated financial position.

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Selected Historical Consolidated Combined

Financial Data of Tenaris

The following selected historical consolidated combined financial and other data for Tenaris should be read in conjunction with Information about Tenaris Management s Discussion and Analysis of Financial Condition and Results of Operations, and Business and the consolidated combined financial statements and the notes thereto included elsewhere in this prospectus, and are qualified in their entirety by reference to the information therein.

The selected consolidated financial data of Tenaris have been derived from its consolidated combined financial statements, which are prepared in accordance with IAS (unless otherwise indicated) for each of the periods and at the dates indicated. The consolidated combined financial statements as of December 31, 2002 and 2001, and for the years ended December 31, 2002, 2001 and 2000, included in this prospectus have been audited by PricewaterhouseCoopers S.à.r.l., independent accountants in Luxembourg and member firm of PricewaterhouseCoopers. IAS differ in certain significant respects from U.S. GAAP. See notes U and 31 to Tenaris s audited consolidated combined financial statements included in this prospectus, which provide a description of the principal differences between IAS and U.S. GAAP as they relate to Tenaris s audited consolidated combined financial statements and a reconciliation to U.S. GAAP of net income (loss) and shareholders equity for the periods and at the dates indicated therein. The consolidated combined financial statements of Tenaris at December 31, 2002 and for the year ended December 31, 2002 included in this prospectus consolidate at December 31, 2002, and for the period that began on October 18, 2002 and ended December 31, 2002, the consolidated financial statements of each of Siderca, Tamsa, Dalmine, Invertub and Tenaris Global Services, as well as the consolidated financial statements of five smaller companies (Metalcentro S.A., Tenaris Connections A.G., Lomond Holdings B.V., Information Systems and Technologies B.V. and Siderestiba S.A.) and combine, for the period that began on January 1, 2002 and ended October 17, 2002, the consolidated financial statements of all these companies on the basis that such companies were under the common control of San Faustín for such period. October 18, 2002 is the date on which these companies, which include the Tenaris companies and Tenaris Global Services, were reorganized as subsidiaries of the Company. The effect of this presentation is to show the combined historical results, financial condition and other data of the various steel pipe manufacturing and distributing companies under the common control of San Faustín as though these companies had been our subsidiaries at the dates and during the periods presented. For comparative purposes, the audited consolidated combined financial statements of Tenaris for the years ended December 31, 2001 and 2000, combine, at each of the dates and for each of the periods presented therein, the consolidated financial statements of all these companies on the basis that such companies were under the common control of San Faustín at each such date and for each such period. See notes A and B to Tenaris s audited consolidated combined financial statements included in this prospectus. For a discussion of the currencies used in this prospectus, exchange rates and accounting principles affecting the financial information contained in this prospectus, see Part Seven Additional Information for Shareholders Exchange Rates and Presentation of Certain Financial and Other Information.

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Thousands of U.S. dollars (except number of shares and per share amounts)	For the year ended December 31, 2002	2001	2000	1999	1998
Selected consolidated combined income statement data					
IAS					
Net sales	3,219,384	3,174,299	2,361,319	1,835,211	2,839,382
Cost of sales	(2,168,594)	(2,165,568)	(1,692,412)	(1,481,552)	(2,095,260)
Gross profit	1,050,790	1,008,731	668,907	353,659	744,122
Selling, general and administrative expenses	(568,149)	(502,747)	(433,617)	(306,471)	(348,712)
Other operating income (expenses), net	(10,764)	(64,352)	5,877	(55,084)	123,889
Operating profit (loss)	471,877	441,632	241,167	(7,896)	519,299
Financial income (expenses), net	(20,597)	(25,595)	(47,923)	(37,118)	(68,182)
Income (loss) before income tax, effect of currency translation on tax bases, equity in earnings (losses) of associated companies and minority interest	451,280	416,037	193,244	(45,014)	451,117
Equity in earnings (losses) of associated companies	(6,802)	(41,296)	(3,827)	(39,296)	(17,436)
Income (loss) before income tax, effect of currency translation on tax bases and minority interest	444,478	374,741	189,417	(84,310)	433,681
Income tax	(182,505)	(108,956)	(63,299)	(6,065)	(65,663)
Effect of currency translation on tax bases	(25,266)	(109,882)	(2,011)	(2,961)	(3,198)
Net income (loss) before minority interest	236,707	155,903	124,107	(93,336)	364,820
Minority interest	(142,403)	(74,557)	(47,401)	38,521	(211,245)
Net income (loss)	94,304	81,346	76,706	(54,815)	153,575
Depreciation and amortization	(176,315)	(161,710)	(156,643)	(165,847)	(167,348)
Weighted average number of shares outstanding[1]	732,936,680	710,747,187	710,747,187	710,747,187	710,747,187
Combined earnings (loss) per share[2]	0.13	0.11	0.11	(0.08)	0.22
Dividends per share[3]	0.06	0.15	0.16	0.13	0.05
U.S. GAAP					
Net sales[4]	3,219,384	2,313,162	1,166,293		
Operating income (loss)[4]	476,107	422,014	102,740		
Income before cumulative effect of accounting changes	110,049	163,921	77,333		
Cumulative effect of accounting changes	(17,417)	(1,007)	-		
Net income (loss)	92,632	162,914	77,333		
Weighted average number of shares outstanding[1]	732,936,680	710,747,187	710,747,187		
Combined earnings per share before effect of accounting changes[2]	0.15	0.23	0.11		
Cumulative effect of accounting changes per share[2]	(0.02)	(0.00)	-		
Combined earnings (loss) per share[2]	0.13	0.23	0.11		

(1) Prior to October 18, 2002, the Company had 30,107 shares issued and outstanding. On October 18, 2002, Sidertubes S.A., a wholly-owned subsidiary of San Faustín, contributed all of its assets (including 30,010 shares of Tenaris) and liabilities to the Company, in exchange for 710,747,090 shares of Tenaris. The 30,010 shares contributed by Sidertubes to the Company were cancelled and, accordingly, upon consummation of this contribution the Company had a total of 710,747,187 shares issued and outstanding. For a detailed description of Sidertubes contribution to the Company, see Part Four Information about Tenaris Related Party Transactions Corporation Reorganization Transactions. On December 17, 2002, Tenaris consummated an offer to exchange its shares and ADS for shares and ADS of Siderca and Tamsa and shares of Dalmine. Upon consummation of the exchange offer, the Company had a total of 1,160,700,794 shares issued and outstanding.

(2) Tenaris s combined earnings (loss) per share before effect of accounting changes, cumulative effect of accounting changes per share and combined earnings per share for the periods presented have been calculated based on the assumption that 710,747,187 shares were issued and outstanding in each of the periods presented prior to October 18, 2002.
(3) Tenaris s dividends per share for the periods presented have been calculated based on the assumption that 710,747,187 shares were issued and outstanding in each of the periods presented.
(4) For U.S. GAAP purposes, Dalmine s results were not consolidated for the years ended December 31, 2001 and 2000, and Tamsa s results were not consolidated for the year ended December 31, 2000.

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Thousands of U.S. dollars (except number of shares and per share amounts)	At December 31, 2000				
	2002	2001	2000	1999	1998
Selected consolidated combined balance sheet data					
IAS					
Current assets	1,810,581	1,619,136	1,419,747	1,270,109	1,650,643
Property, plant and equipment, net	1,934,237	1,971,318	1,941,814	1,909,924	1,955,426
Other non-current assets	272,628	247,500	282,976	246,317	395,800
Total assets	4,017,446	3,837,954	3,644,537	3,426,350	4,001,869
Current liabilities	1,203,278	1,084,913	951,444	792,716	883,728
Non-current borrowings	322,205	393,051	355,628	212,012	449,169
Deferred tax liabilities	320,753	262,963	292,849	290,727	354,611
Other non-current liabilities	290,373	302,645	199,548	196,964	176,532
Total liabilities	2,136,609	2,043,572	1,799,469	1,492,419	1,864,040
Minority interest	186,783	918,981	919,710	979,067	1,023,165
Shareholders equity[1]	1,694,054	875,401	925,358	954,864	1,114,664
Total liabilities and shareholders equity	4,017,446	3,837,954	3,644,537	3,426,350	4,001,869
Number of shares outstanding[2]	1,160,700,794	710,747,187	710,747,187	710,747,187	710,747,187
Shareholders equity per share[3]	1.46	1.23	1.30	1.34	1.57
U.S. GAAP					
Total assets	3,988,765	3,075,455	1,905,732		
Net assets	1,935,698	1,781,814	1,341,854		
Total shareholders equity	1,745,883	941,926	908,872		
Number of shares outstanding[2]	1,160,700,794	710,747,187	710,747,187		
Combined shareholders equity per share[3]	1.50	1.33	1.28		

(1) The Company s common stock as of December 31, 2002, was represented by 1,160,700,794 shares, par value USD1.00 per share, for a total amount of USD1,160.7 million.
(2) Prior to October 18, 2002, the Company had 30,107 shares issued and outstanding. On October 18, 2002, Sidertubes contributed all of its assets (including 30,010 shares of Tenaris) and liabilities to the Company, in exchange for 710,747,090 shares of Tenaris. The 30,010 shares contributed by Sidertubes to the Company were cancelled and, accordingly, upon consummation of this contribution the Company had a total of 710,747,187 shares issued and outstanding. For a detailed description of Sidertubes contribution to the Company, see Part Four Information about Tenaris Related Party Transactions Corporation Reorganization Transactions. On December 17, 2002, Tenaris consummated an offer to exchange its shares and ADSs for shares and ADS of Siderca and Tamsa and shares of Dalmine. Upon consummation of the exchange offer, the Company had a total of 1,160,700,794 shares issued and outstanding.
(3) Tenaris s combined shareholders equity per share at the dates presented has been calculated based on the assumption that 710,747,187 shares were issued and outstanding at each of the dates presented prior to October 18, 2002.

Management s Discussion and Analysis of

Financial Condition and Results of Operations

General

Tenaris is a leading global manufacturer and supplier of seamless steel pipe products and associated services to the oil and gas, energy and other industries, with production, distribution and service capabilities in key markets worldwide. Tenaris s principal products include casing, tubing, line pipe, and mechanical and structural pipes.

In the last decade, Tenaris has successfully expanded its business through a series of strategic investments. Tenaris now operates a worldwide network of seamless steel pipe operations with manufacturing facilities in South America, North America, Europe and Asia and an annual production capacity of over three million tons of seamless steel pipe products, compared to 800,000 tons in the early 1990s. In addition to its investments in seamless steel pipe operations worldwide, Tenaris also owns controlling interests in the leading producers of welded steel pipes in Argentina and Brazil, with a combined annual production capacity of 850,000 tons. Furthermore, Tenaris has developed competitive and far reaching global distribution capabilities, with a direct presence in most major oil and gas markets.

The global market for seamless steel pipe products is highly competitive, with the primary competitive prices being price, quality and service. Tenaris competes worldwide against primarily four foreign producers of seamless steel pipe products. Tenaris s largest markets for seamless steel products are in the countries in which it has manufacturing subsidiaries (Argentina and Venezuela in South America, Mexico and Canada in North America, Italy in Europe and Japan in the Far East). Tenaris s sales in these and other markets are sensitive to the international price of oil and gas and its impact on the drilling activity of participants in the oil and gas sectors, as well as to general economic conditions in these markets. Tenaris s European market is also affected by general industrial production trends, including investment in power generation, petrochemical and oil refining facilities. Tenaris s sales to the United States are mainly directed to the industrial sector and are affected by trends in industrial activity since anti-dumping duties apply in respect of the import of OCTGs produced by Tenaris s main subsidiaries.

The market for Tenaris s welded steel pipes is principally affected by investment in gas pipeline projects, especially in South America. In 2002, sales of welded steel pipes were strong, reflecting a period of high demand for such products in connection with the construction of large pipeline projects in South America, such as those in Ecuador and Peru, as well as ongoing pipeline network integration projects in the region. Deliveries of welded steel pipes to those projects in Ecuador and Peru have now been substantially completed but demand from oil and gas pipeline projects in Tenaris s local market of Brazil has increased beginning in 2003.

For a more complete description of Tenaris s business and market position, and the competitive and other factors that could affect Tenaris s financial condition and results of operations, see Information about Tenaris Business.

Operating Results

The following discussion and analysis of Tenaris s financial condition and results of operations are based on the audited consolidated combined financial statements of Tenaris included elsewhere in this prospectus. Accordingly, this discussion and analysis present Tenaris s financial condition and results of operations on a consolidated and combined basis. See Presentation of Certain Financial and Other

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Information Accounting Principles Tenaris and notes A and B to the consolidated combined financial statements of Tenaris included in this prospectus.

The following discussion should be read in conjunction with Tenaris s audited consolidated combined financial statements and the related notes included in this prospectus. Tenaris prepares its consolidated combined financial statements in conformity with IAS, which differ in certain significant respects from U.S. GAAP. See notes U and 31 to Tenaris s consolidated combined financial statements included in this prospectus, which include a description of the principal differences between IAS and U.S. GAAP as they relate to Tenaris s consolidated combined financial statements and a reconciliation of net income and shareholders equity for the periods and at the dates indicated.

The following table sets forth Tenaris s operating and other costs and expenses as a percentage of net sales for the periods indicated.

	For the year ended December 31,		
Percentage of net sales	**2002**	**2001**	**2000**
Net sales	100.0	100.0	100.0
Cost of sales	(67.4)	(68.2)	(71.7)
Gross profit	32.6	31.8	28.3
Selling, general and administrative expenses	(17.6)	(15.8)	(18.4)
Other operating income (expenses), net	(0.3)	(2.0)	0.2
Operating profit (loss)	14.7	13.9	10.2
Financial income (expenses), net	(0.6)	(0.8)	(2.0)
Income (loss) before income tax, effect of currency translation on tax bases, equity in earnings (losses) of associated companies and minority interest	14.0	13.1	8.2
Equity in earnings (losses) of associated companies	(0.2)	(1.3)	(0.2)
Income (loss) before income tax, effect of currency translation on tax bases and minority interest	13.8	11.8	8.0
Income tax	(5.7)	(3.4)	(2.7)
Effect of currency translation on tax bases	(0.8)	(3.5)	(0.1)
Net income (loss) before minority interest	7.4	4.9	5.3
Minority interest	(4.4)	(2.3)	(2.0)
Net income (loss)	2.9	2.6	3.2

Fiscal Year Ended December 31, 2002, Compared to Fiscal Year Ended December 31, 2001

Sales volume

The following table shows Tenaris s sales volume of seamless and welded steel pipe products by geographical region for the periods indicated.

Thousands of tons	For the year ended December 31, 2002	2001	Increase/ (Decrease)
South America	324	490	(34%)
North America	401	438	(8%)
Europe	644	715	(10%)
Middle East and Africa	522	582	(10%)
Far East and Oceania	392	448	(13%)
Total seamless steel pipes	2,283	2,673	(15%)
Welded steel pipes	585	432	35%
Total steel pipes	2,868	3,105	(8%)

Tenaris s sales volume of seamless steel pipe products decreased by 15% to 2,283,000 tons in 2002 from 2,673,000 tons in 2001. This significant decrease in sales volume primarily reflected the effects of lower levels of oil and gas drilling activity worldwide, as well as persistently lower levels of industrial production in the principal industrial regions of North America, Europe and Japan. Although oil prices remained at levels which, under typical circumstances, would have been expected to result in sustained levels of investment in oil and gas drilling, oil and gas exploration and production activity was affected by increased uncertainty over the future level of oil prices as a result of the prospects of military action against Iraq and production cutbacks established by OPEC.

Sales volume of seamless steel pipe products decreased in all of Tenaris s markets as a result of the contraction affecting the oil and gas and industrial sectors worldwide. Sales of seamless steel pipe products were further affected in South America than in the other markets as a result of the political and economic developments that affected Argentina and Venezuela, Tenaris s main South American markets.

Sales volumes of welded steel pipe products increased by 35% to 585,000 tons in 2002 from 432,000 tons in 2001, reflecting a period of high demand for welded steel pipes in connection with South American gas pipeline projects in Ecuador, Peru and Bolivia, which more than offset reduced sales in the Argentine market.

Sales of electric energy (all in Italy to unaffiliated parties) increased by 12% to 2,066 GWh in 2002 from 1,846 GWh in 2001. This 12% increase reflected an increase in volumes of electricity sold mainly as a result of the expansion of the customer base. Sales of natural gas (all in Italy) increased to 463 million scm in 2002 from 21 million scm in 2001. This 2,105% increase was attributable to the inclusion of sales of natural gas for an entire year following the commencement of these sales in December 2001.

Sales of other products and services (mainly sales of Sidor s flat products by Tenaris Global Services in Europe and North America) increased by 133% to 401,000 tons in 2002 from 172,000 tons in 2001. Sales of other products and services have been discontinued following the reorganization of Tenaris Global Services as a subsidiary of Tenaris.

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Net sales

Net sales in 2002 totaled USD3,219.4 million, compared to USD3,174.3 million in 2001. This 1.4% increase resulted from increased sales volumes for welded pipes, increased sales of electricity and natural gas, increased sales of other steel products and increased average net sales prices for seamless steel pipes, which offset the effect of an overall reduction in seamless steel pipes sales volumes.

Net sales (by business segment)

The following table shows Tenaris s net sales by business segment in terms of U.S. dollars for the periods indicated.

Millions of U.S. dollars	For the year ended December 31, 2002	2001	Increase/ (Decrease)
Seamless steel pipes	2,241.4	2,496.5	(10%)
Welded steel pipes	580.0	432.6	34%
Energy	210.4	113.1	86%
Other products and services	187.6	132.0	42%
Total	3,219.4	3,174.3	1%

The following table indicates the distribution of Tenaris s net sales by business segment for the periods indicated.

Millions of U.S. dollars	For the year ended December 31, 2002	2001
Seamless steel pipes	70%	79%
Welded steel pipes	18%	14%
Energy	7%	4%
Other products and services	6%	4%
Total	100%	100%

Net sales of seamless steel pipe products in 2002 amounted to USD2,241.4 million, compared to USD2,496.5 million in 2001. This 10% decrease was due to a 15% overall reduction is sales volumes, partially offset by increased average net sales prices. Despite declining global market prices for seamless steel pipe products and lower prices in the Argentine market, average net sales prices for Tenaris s seamless pipe products increased as a result of higher U.S. dollar market prices in Europe; in addition, Tenaris sold a higher proportion of seamless steel pipes with significant value added in terms of heat treatment, finishing and services.

Net sales of welded steel pipe products in 2002 amounted to USD580.0 million, compared to USD432.6 million in 2001. This 34% increase was primarily attributable to higher sales volumes. Sales of welded pipes included sales of metal structures made by Tenaris s Brazilian welded pipe subsidiary in the amount of USD83.5 million in 2002, compared to USD70.5 million in 2001.

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Net sales of energy (sales of electricity and natural gas in Italy to unaffiliated parties) totaled USD210.4 million in 2002, compared to USD113.1 million in 2001. This 86% increase reflected an increase in volumes of electricity sold, a contemporaneous increase in energy prices and the inclusion of revenues generated by sales of natural gas for an entire year following the commencement of these sales in December 2001.

Net sales of other products and services amounted to USD187.6 million in 2002, compared to USD132.0 million in 2001. This 42% increase was mainly due to increased sales of other steel products by Tenaris Global Services, which amounted to USD129.3 million in 2002, compared to USD56.9 million in 2001. Sales of these other steel products have been discontinued following the reorganization of Tenaris Global Services as a subsidiary of Tenaris.

Net sales (by geographical segment)

The following table shows Tenaris s net sales by region in terms of U.S. dollars for the periods indicated.

Millions of U.S. dollars	For the year ended December 31, 2002	For the year ended December 31, 2001	Increase/ (Decrease)
South America	956.4	971.1	(2%)
North America	577.3	611.7	(6%)
Europe	829.7	680.5	22%
Middle East and Africa	511.1	520.9	(2%)
Far East and Oceania	344.9	390.1	(12%)
Total Sales	3,219.4	3,174.3	1%

The following table indicates the percentage market distribution of Tenaris s net sales by region for the periods indicated.

Percentage of total net sales	For the year ended December 31, 2002	For the year ended December 31, 2001
South America	30	31
North America	18	19
Europe	26	21
Middle East and Africa	16	16
Far East and Oceania	11	12
	100	100

Net sales in South America amounted to USD956.4 million in 2002, compared to USD971.1 million in 2001. This 2% decrease primarily resulted from a significant reduction in sales volumes of seamless steel pipe products largely offset by a significant increase in sales volumes of welded pipe products.

Net sales in North America amounted to USD577.3 million in 2002, compared to USD611.7 million in 2001. This 6% decrease was primarily attributable to a reduction in sales volumes of seamless steel pipes, partially offset by an increase in sales of other steel products.

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Net sales in Europe totaled USD829.7 million in 2002, compared to USD680.5 million in 2001. This 22% increase was primarily attributable to increased sales of electricity and natural gas by Dalmine Energie, increased sales of other steel products and higher U.S. dollar sales prices for Tenaris s seamless pipe products in Europe, which more than offset a reduced sales volumes of seamless steel pipe products.

Net sales in the Middle East and Africa totaled USD511.1 million in 2002, compared to USD520.9 million in 2001. This 2% decrease was primarily the result of reduced sales volumes of seamless steel pipes, partially offset by higher average selling prices.

Net sales in the Far East and Oceania totaled USD344.9 million in 2002, compared to USD390.1 million in 2001. This 12% decrease was primarily due to a reduction in sales volume.

Cost of sales

Cost of sales, expressed as a percentage of net sales, decreased to 67.4% for the fiscal year ended December 31, 2002, from 68.2% for the previous fiscal year. This decrease resulted from lower cost of sales for seamless and welded steel pipe products, partially offset by higher sales of energy products and other low-margin steel products.

Cost of sales for seamless steel pipe products, expressed as a percentage of net sales, decreased to 63.4% in 2002 from 66.6% in 2001. This improvement was caused principally by sharply-reduced cost of sales at Tenaris s operations in Argentina, partially offset by higher cost of sales at Tenaris s operations in Mexico and Italy. The reduced costs in Argentina reflected the effects of the substantial devaluation of the Argentine peso on those costs denominated in Argentine pesos, the effects of which were offset only in part by concurrent inflation over the period. The increased costs in Mexico were the result of higher energy and raw material costs, while the increased costs in Italy were attributable to the appreciation of the Euro against the U.S. dollar.

Cost of sales for welded steel pipe products, expressed as a percentage of net sales, decreased to 65.4% in 2002 from 67.9% in 2001. This improvement was caused principally by higher volumes leading to lower fixed and semi-fixed costs on a per ton basis.

Cost of sales for energy products, expressed as a percentage of net sales, decreased marginally to 94.4% in 2002 from 95.1% in 2001.

Cost of sales for other products and services, expressed as a percentage of net sales, increased to 90.5% in 2002 from 76.3% in 2001. This increase was due to sharply increased sales volumes of low-margin and other steel products.

Selling, general and administrative expenses

Selling, general and administrative expenses, or SG&A, increased significantly to USD568.1 million, or 17.6% of net sales, compared to USD502.7 million, or 15.8% of net sales, during 2001. This increase resulted primarily from increased selling expenses at Tenaris s welded pipe operations in Brazil, newly-introduced export, financial transaction and other non-income related taxes in Argentina and higher selling expenses associated with an increased supply of value-added services to customers, which more than offset a reduction in general and administration expenses at Tenaris s operations in Argentina following the substantial devaluation of the Argentine peso. Tenaris s increased selling expenses in Brazil were attributable to higher export sales, changes in selling conditions and costs incurred in settling a contractual claim.

Other operating income (expenses), net

Other operating expenses were USD10.8 million in 2002, compared to USD64.4 million in 2001. The improvement was mainly attributable to higher other operating income and the effect of provisions recorded in respect of the BHP litigation.

Other operating income of USD15.6 million in 2002, compared to USD0.6 million in 2001, resulted from insurance reimbursements, gains on government securities and proceeds from the sale of warehouses.

Other operating expenses amounted to USD26.4 million in 2002, compared to USD64.9 million in 2002. Other operating expenses in 2001 included USD41.1 million corresponding to a provision established at Dalmine in respect of the BHP proceedings, while other operating expenses in 2002 primarily reflected a USD18.9 million increase in such provision.

Financial income (expenses), net

Financial results showed a net loss of USD20.6 million in 2002, compared to a net loss of USD25.6 million in 2001. This improvement was mainly attributable to reduced net interest expenses of USD20.3 million in 2002, compared to USD41.1 million in 2001, as a result of lower net debt, partially offset by a loss of USD8.8 million due to an increase in financial discounts on U.S. dollar-denominated sales credits to customers in Argentina following the devaluation of the Argentine peso and a loss of USD5.3 million due to lower exchange related gains.

Equity in earnings (losses) of associated companies

Tenaris s share in the results of associated companies generated a loss of USD6.8 million in 2002, compared to a loss of USD41.3 million in 2001. This decreased loss was primarily attributable to lower losses associated with Tenaris s investment in Amazonia (USD7.7 million in 2002, compared to USD31.3 million in 2001). In addition, in 2001 Tenaris disposed of its interests in Siderar and DMV Stainless, which had generated losses of USD9.8 million in 2001.

Income tax

Tenaris recorded an income tax provision of USD219.3 million in 2002, compared to an income tax provision of USD109.0 million in 2001. In 2002, Tenaris also recovered USD36.8 million in income taxes following a favorable tax judgment in a claim brought by Tenaris s main subsidiary in Mexico. The 101% increase in Tenaris s income tax provision mainly reflected the higher operating income of Tenaris s subsidiaries in Argentina as a result of the sharp reduction in their costs of sales following the devaluation of the Argentine peso and the other income arising as a result of the effect of the devaluation of the Argentine peso on the monetary position in foreign currency (including assets held in trust funds) of Tenaris s subsidiaries in Argentina.

Effect of currency translation on tax bases

In 2001, Tenaris s net income was negatively affected by a deferred tax charge of USD109.9 million due to the effect of the devaluation of the Argentine peso on the tax bases of the non-monetary assets of its subsidiaries in Argentina. In 2002, Tenaris s net income was negatively affected by a further deferred tax charge of USD25.3 million for the same concept. See note 7(iii) to Tenaris s audited consolidated combined financial statements at, and for the fiscal year ended December 31, 2002.

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Minority interest

Minority interest showed a loss of USD142.4 million in 2002, compared to a loss of USD74.6 million in 2001. This increased loss is primarily due to the improvement in the results of most of the Tenaris companies and the consequent increases in the amounts attributable to minority interests in those companies, especially in:

Tamsa, where minority shareholders shared USD63.6 million of Tamsa s income in 2002, compared to USD34.7 million in 2001;

Siderca, where minority shareholders shared USD39.7 million of Siderca s income in 2002, compared to USD25.6 million in 2001;

Confab, where minority shareholders shared USD31.0 million of Confab s income in 2002, compared to USD12.6 million of Confab s losses in 2001; *and*

Dalmine, where minority shareholders shared USD6.4 million of Dalmine s income in 2002, compared to USD1.4 million of Dalmine s losses in 2001.

Minority interest attributable to participations in Siderca, Tamsa and Dalmine acquired in the exchange offer consummated in December 2002 showed a loss of USD99.5 million in 2002, compared to a loss of USD54.5 million in 2001.

Net income (loss)

Tenaris recorded net income of USD94.3 million in 2002, compared to USD81.3 million in 2001. Net income before deduction of minority interest attributable to participations in consolidated subsidiaries acquired in the exchange offer completed in December 2002 increased to USD193.8 million in 2002, compared to USD135.8 million in 2001. This improvement was attributable to a variety of factors, including improved operating and financial results, reduced losses in associated companies and an income tax recovery at Tenaris s principal subsidiary in Mexico, partially offset by an increase in income tax provision.

Fiscal year ended December 31, 2001, compared to fiscal year ended December 31, 2000

Sales volume

The following table shows Tenaris s sales volume of seamless and welded steel pipe products by geographical region for the periods indicated.

Thousands of tons	For the year ended December 31, 2001	2000	Increase / (Decrease)
South America	490	435	13%
North America	438	350	25%
Europe	715	664	8%
Middle East and Africa	582	451	29%
Far East and Oceania	448	262	71%
Total seamless steel pipe	2,673	2,162	24%
Welded steel pipes	432	253	71%
Total steel pipes	3,105	2,415	29%

Tenaris s sales volume of seamless steel pipe products in 2001 increased by 23.6% to 2,673,000 tons from 2,162,000 tons in 2000. This significant increase in sales volume reflects the inclusion of sales from Tenaris s operations in Japan and Canada for an entire period following the commencement of such operations in 2002, as well as the strong demand for Tenaris s seamless steel products in the export markets as a result of increased drilling activity in the international oil and gas sector motivated by favorable oil prices. Demand for Tenaris s seamless steel pipe products began to decline in the last quarter of 2001 as a result of lower and more volatile oil prices and the slowdown in global industrial production exacerbated by the events of September 11, 2001.

Sales volume of seamless steel pipe products increased in all of Tenaris s markets as a result of sustained demand from export oil and gas customers reflecting strong investment in exploration and production activities. The increase was much higher in the Far East and Oceania as a result of the inclusion of sales from Tenaris s operations in Japan for an entire year.

Welded steel pipe sales volume in 2001 rose 70.8% to 432,000 tons from 253,000 tons in 2000, reflecting high demand for Tenaris s products from pipeline projects in the Americas and the Middle East.

Sales of electric energy (all in Italy to unaffiliated parties) increased to 1,846 GWh in 2001 from 1,506 GWh in 2000. This 23.0% increase reflected an increase in volumes of electricity sold mainly as a result of the expansion of the customer base. Sales of natural gas (all in Italy), which commenced in December 2001, amounted to 21 million scm.

Sales of other steel products (mainly sales of Sidor s flat products by Tenaris Global Services in Europe and North America) increased by 142.3% to 172,000 tons in 2001 from 71,000 tons in 2000.

Net sales

Net sales in 2001 totaled USD3,174.3 million, an increase of 34.4% compared to USD2,361.3 million in 2000, primarily due to higher sales volumes and higher average selling prices for both seamless and welded steel pipe products. In addition, there were increased sales of electricity and natural gas and of other steel products.

Net sales (by business segment)

The following table shows Tenaris s net sales by business segment in terms of U.S. dollars for the periods indicated.

Millions of U.S. dollars	For the year ended December 31, 2001	2000	Increase / (Decrease)
Seamless steel pipes	2,496.5	1,991.9	25%
Welded steel pipes	432.6	209.0	107%
Energy	113.1	58.7	93%
Other products and services	132.0	101.7	30%
Total	3,174.3	2,361.3	34%

The following table indicates the distribution of Tenaris s net sales by business segment for the periods indicated.

Percentage of total net sales	For the year ended December 31, 2001	2000
Seamless steel pipes	79%	84%
Welded steel pipes	14%	9%
Energy	4%	2%
Other products and services	4%	4%
Total	100%	100%

Net sales of seamless steel pipe products in 2001 amounted to USD2,496.5 million, compared to USD1,991.9 million in 2000. This 25% increase was primarily due to higher sales volumes and higher average selling prices.

Net sales of welded steel pipe products in 2001 amounted to USD432.6 million, compared to USD209.0 million in 2000. This 107% increase was primarily attributable to higher sales volumes and higher average selling prices.

Net sales of energy (sales of electricity and natural gas in Italy to unaffiliated parties) totaled USD113.1 million in 2001, compared to USD58.7 million in 2000. This 93% increase reflected an increase in volumes of electricity sold.

Net sales of other products and services amounted to USD132.0 million in 2001, compared to USD101.7 million in 2000. This 30% increase was mainly due to increased sales of other steel products by Tenaris Global Services.

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Net sales (by geographical segment)

The following table shows Tenaris s net sales by region in terms of U.S. dollars for the periods indicated.

Millions of U.S. dollars	For the year ended December 31, 2001	2000	Increase / (Decrease)
South America	971.1	668.1	45%
North America	611.7	421.6	45%
Europe	680.5	590.9	15%
Middle East and Africa	520.9	429.0	21%
Far East and Oceania	390.1	251.7	55%
Total	3,174.3	2,361.3	34%

The following table indicates the percentage market distribution of Tenaris s net sales by region for the periods indicated.

Percentage of total net sales	For the year ended December 31, 2002	2001
South America	31%	28%
North America	19%	18%
Europe	21%	25%
Middle East and Africa	16%	18%
Far East and Oceania	12%	11%
Total	100%	100%

Net sales in South America amounted to USD971.1 million in 2001, compared to USD668.1 million in 2000. This 45% increase was primarily due to sharply increased sales of welded pipe products and higher sales of seamless steel pipe products in Argentina and Venezuela.

Net sales in North America amounted to USD611.7 million in 2001, compared to USD421.6 million in 2000. This 45% increase was primarily attributable to higher sales of seamless steel pipe products as a result of the inclusion of sales from Tenaris s operations in Canada for an entire year, higher average selling price and higher sales of other steel products. This increase was partially offset by a decrease in sales to non-oil related customers in Mexico.

Net sales in Europe totaled USD680.5 million in 2001, compared to USD590.9 million in 2000. This 15% increase was primarily attributable to increased sales of electricity by Dalmine Energie and higher sales volumes of seamless steel pipe products.

Net sales in the Middle East and Africa totaled USD520.9 million in 2001, compared to USD429.0 million in 2000. This 21% increase was primarily the result of sustained demand from export oil and gas customers, reflecting strong investment in exploration and production activities.

Net sales in the Far East and Oceania totaled USD390.1 million in 2001, compared to USD251.7 million in 2000. This 55% increase was primarily due to the inclusion of sales from Tenaris s operations in Japan for an entire year and sustained demand from export oil and gas customers, reflecting strong investment in exploration and production activities.

Cost of sales

Cost of sales, expressed as a percentage of net sales, decreased to 68.2% for the fiscal year ended December 31, 2001, from 71.7% for the previous fiscal year. This decrease primarily resulted from lower cost of sales for seamless and welded pipe products, partially offset by higher sales of low-margin energy products.

Cost of sales for seamless steel pipe products, expressed as a percentage of net sales, decreased to 66.6% in 2001 from 70.0% in 2000. This decrease in cost was primarily the result of higher average selling prices and higher absorption of fixed and semi-fixed costs due to increased sales volume.

Cost of sales for welded steel pipe products, expressed as a percentage of net sales, decreased to 67.9% in 2001 from 81.2% in 2000. This decrease in costs was due primarily to higher average selling prices and higher absorption of fixed and semi-fixed costs as a result of higher sales volume.

Cost of sales for energy products, expressed as a percentage of net sales, increased to 95.1% in 2001 from 85.4% in 2000. This increase in costs was primarily due to a decrease in operating margins in 2001 as the energy trade business in Italy matured and competition increased.

Cost of sales for other products and services, expressed as a percentage of net sales, slightly decreased to 76.3% in 2001 from 77.2% in 2000.

Selling, general and administrative expenses

SG&A during 2001 were USD502.7 million, or 15.8% of net sales, compared to USD433.6 million, or 18.4% of net sales, for 2000. This improvement reflects a reduction in general and administrative expenses as a percentage of net sales resulting from higher absorption of these expenses. Selling expenses, which relate primarily to export sales and are inherently variable, increased in U.S. dollar terms due mainly to higher export volumes resulting in higher selling costs (including sales commissions), but remained stable as a percentage of net sales.

Other operating income (expenses), net

Other net operating expenses were USD64.4 million for the fiscal year ended December 31, 2001, compared to a net gain of USD5.9 million in the previous fiscal year. This significant deterioration was mainly attributable to the creation of a provision at Dalmine in respect of the BHP litigation (USD41.1 million), an additional provision by Siderca related to the impairment of certain credits with the Argentine government (USD9.0 million) and a non-recurring provision by Confab (USD7.7 million) representing the entirety of an amount in controversy in connection with a tax dispute.

Financial income (expenses), net

Financial results for the fiscal year ended December 31, 2001, showed a net financial loss of USD25.6 million, compared to USD47.9 million in the previous fiscal year. This variation was mainly attributable to the effect of the Argentine peso devaluation on Argentine peso-denominated net liabilities, which, in spite of having occurred in January 2002, was required to be recorded in the fiscal year ended December 31, 2001. This effect was partially offset by higher net interest payments principally due to higher net financial debt.

Equity in earnings (losses) of associated companies

Tenaris s share in the results of associated companies generated a loss of USD41.3 million for the fiscal year ended December 31, 2001, compared to a loss of USD3.8 million for the previous fiscal year. This increased loss was primarily due to the performance of Tenaris s investments in:

Amazonia, which generated a loss of USD31.3 million in 2001, compared to a loss of USD5.0 million in 2000;

Siderar, which generated a loss of USD4.9 million in 2001, compared to a gain of USD2.0 million in 2000; *and*

DMV Stainless B.V., which generated a loss of USD4.9 million in 2001, compared to a loss of USD1.7 million in 2000.

Tenaris no longer owns any interest in either Siderar or DMV Stainless.

Income tax

During the fiscal year ended December 31, 2001, Tenaris recorded an income tax provision of USD109.0 million, compared to an income tax provision of USD63.3 million for the fiscal year ended December 31, 2000. This 72.2% increase was mainly due to improved operating results.

Effect of currency translation on tax bases

This charge of USD109.9 million reflects an increased deferred income tax charge in the fiscal year ended December 31, 2001, due to the effect of the devaluation of the Argentine peso on the tax bases of the non-monetary assets of its subsidiaries in Argentina. See note 7(ii) to Tenaris s audited consolidated combined financial statements at, and for the fiscal year ended December 31, 2001.

Minority interest

Minority interest for the fiscal year ended December 31, 2001, showed a loss of USD74.6 million compared to a loss of USD47.4 million in the previous fiscal year. This increased loss ics primarily due to the improvement in the results of most of the Tenaris companies and the consequent increases in the amounts attributable to minority interests in those companies, especially in:

Tamsa, where minority shareholders shared USD34.7 million of Tamsa s income in 2001, compared to USD21.5 million in 2000;

Siderca, where minority shareholders shared USD25.6 million of Siderca s income in 2001, compared to USD26.1 million in 2000;

Confab, where minority shareholders shared USD12.6 million of Confab s income in 2001, compared to USD2.7 million of Confab s losses in 2000; *and*

Dalmine, where minority shareholders shared USD1.4 million of Dalmine s losses in 2001, compared to USD3.5 million of Dalmine s income in 2000.

Net income (loss)

Tenaris recorded net income of USD81.3 million for the fiscal year ended December 31, 2001, compared to net income of USD76.7 million for the fiscal year ended December 31, 2000. This 6.0% increase was due to improved operating results, partially offset by the effect of the devaluation of the Argentine peso on the tax bases of the non-monetary assets of its subsidiaries in Argentina, an increase in income tax provision and losses from Tenaris s investment in Amazonia.

Liquidity and Capital Resources

	For the year ended December 31,		
Thousands of U.S. dollars	2002	2001	2000
Net cash provided by operations	461,436	544,228	274,195
Net cash (used in) provided by investment activities	(180,606)	(284,340)	(263,762)
Net cash (used in) provided by financing activities	(184,376)	(138,021)	6,018
Increase (decrease) in cash and cash equivalents	96,454	121,867	16,451
Effect of exchange rates on cash and cash equivalents	(5,732)	(4,943)	(10,360)
Cash and cash equivalents at the beginning of period	213,814	96,890	90,799
Cash and cash equivalents at the end of period	304,536	213,814	96,890

Fiscal Year Ended December 31, 2002, Compared to Fiscal Year Ended December 31, 2001

Tenaris s cash and cash equivalents increased by USD90.7 million to USD304.5 million from USD213.8 million at December 31, 2001. In addition, Tenaris had investments of USD135.8 million in trust funds established to support the operations of its subsidiaries in Argentina and Brazil.

Net cash provided by operations was USD461.4 million in 2002.

Net cash used in investing activities was USD180.6 million during the fiscal year ended December 31, 2002. The principal uses of funds in investing activities during the period included USD124.6 million in investments in property, plant and equipment, USD23.0 million in investments in intangible assets, USD32.3 million in investments in trust funds established to support Tenaris s operations in Argentina and Brazil and USD14.8 million in costs relating to the exchange offer completed in December 2002, partially offset by USD14.4 million provided by sales of sales of property, plant and equipment. Net capital expenditure (inclusive of investment in intangible assets) was USD133.2 million, compared to a net capital expenditure of USD183.0 million in 2001.

Net cash used in financing activities was USD184.4 million, consisting of net repayment of bank and financial loans of USD103.6 million and dividend payments of USD80.8 million.

Net working capital, calculated as the excess of current assets over current liabilities, increased by USD73.1 million reflecting an increase in trade and other receivables (USD156.2 million) and decreases in inventories (USD46.1 million), advances from customers (USD32.3 million) and trade payables (USD28.9 million). We believe that the net working capital is sufficient to meet Tenaris s liquidity needs for the present and the foreseeable future.

Tenaris s debt to total assets ratio remained stable at 0.53 to 1 at December 31, 2002, compared to 0.53 to 1 at December 31, 2001.

Fiscal Year Ended December 31, 2001, Compared to Fiscal Year Ended December 31, 2000

Tenaris s cash and cash equivalents at December 31, 2001, increased to USD213.8 million from USD96.9 million at December 31, 2000.

Net cash provided by operations was USD544.2 million during the fiscal year ended December 31, 2001.

Net cash used in investment activities was USD284.3 million during the fiscal year ended December 31, 2001. The principal uses of funds in investment activities during this period included USD200.0 million in investments in property, plant and equipment, USD103.4 million in the creation of a trust fund outside Argentina and USD22.8 million in intangible asset acquisitions. Investment activities provided USD39.9 million from sales of property, plant and equipment.

Net cash used in financing activities was USD138.0 million, consisting principally of payments of cash dividends primarily by Siderca and Tamsa (USD66.1 million), a net decrease in minority interest (USD46.6 million), a net change in ownership in Siderca, Tamsa and Dalmine (USD10.6 million) and net repayments of bank and financial loans (USD14.8 million).

Net working capital was USD534.2 million at December 31, 2001, compared to USD468.3 million at December 31, 2000. The principal reasons for this variation were an increase in cash and cash equivalents, inventories and trade receivables and a decrease in borrowings, partially offset by an increase in other liabilities, trade payables and provisions.

Tenaris s debt to total assets ratio was 0.53 to 1 at December 31, 2001, compared to 0.49 to 1 at December 31, 2000.

Financings

Tenaris s consolidated financial debt at December 31, 2002, net of cost of issuance of debt, was USD715.9 million, compared to USD765.5 million at December 31, 2001. Of this amount, USD288.9 million was denominated in U.S. dollars and USD427.0 million was non-USD denominated.

Of Tenaris s debt at December 31, 2002, USD393.7 million was short-term and USD322.2 million long-term.

Of Tenaris s total consolidated financial debt, USD641.0 million were bank borrowings with an average interest rate of 3.61%, USD9.6 million were bank overdrafts with an average interest rate of 4.30%, USD54.2 million were debentures and other loans with an average interest rate of 3.99% and USD11.6 million were finance lease liabilities with an average interest rate of 3.56%. The cost of issuance of debt amounted to 0.5 million.

Neither Tenaris nor any of its subsidiaries has any limitation on investments in property, plant and equipment or in other companies. Dividend payments and repurchase of shares are not prohibited by any event of default or covenants under any present loan agreement. At December 31, 2002, Tenaris and all of its subsidiaries were in compliance with all applicable financial and other covenants.

Contractual Obligations and Commercial Commitments

The following table summarizes Tenaris s contractual obligations at December 31, 2002, and the effect such obligations are expected to have on its liquidity and cash flow in future periods:

	Payments Due by Period as of December 31, 2002				
Millions of U.S. dollars	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**