TENARIS S.A.

HALF-YEAR REPORT 2014

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INTERIM MANAGEMENT REPORT

CERTAIN DEFINED TERMS

Unless otherwise specified or if the context so requires:

- References in this half-year report to "the Company" refer exclusively to Tenaris S.A., a Luxembourg public limited liability company (*société anonyme*).
- References in this half-year report to "Tenaris", "we", "us" or "our" refer to Tenaris S.A. and its consolidated subsidiaries.
- References in this half-year report to "San Faustin" refer to San Faustin S.A., a Luxembourg public limited liability company (*société anonyme*) and the Company's controlling shareholder.
- "Shares" refers to ordinary shares, par value $1.00, of the Company.
- "ADSs" refers to the American Depositary Shares, which are evidenced by American Depositary Receipts, and represent two Shares each.
- "OCTG" refers to oil country tubular goods.
- "tons" refers to metric tons; one metric ton is equal to 1,000 kilograms, 2,204.62 pounds, or 1.102 U.S. (short) tons.
- "billion" refers to one thousand million, or 1,000,000,000.
- "U.S. dollars", "US$", "USD" or "$" each refers to the United States dollar.

PURPOSE

This half-year report for the six-month period ended June 30, 2014 has been prepared in compliance with Article 4 of the Luxembourg Transparency Law of 11 January 2008, and should be read in conjunction with the annual report for the year ended December 31, 2013 (including the financial statements included therein) and the unaudited consolidated condensed interim financial statements included in this half-year report.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Accounting Principles

We prepare our consolidated financial statements in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union, or IFRS.

We publish consolidated financial statements expressed in U.S. dollars. The unaudited consolidated condensed interim financial statements included in this half-year report have been prepared in accordance with IAS 34, "Interim Financial Reporting". These unaudited consolidated condensed interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS. See Note 2 "Accounting Policies and Basis of Presentation" to our unaudited consolidated condensed interim financial statements included in this half-year report.

The unaudited consolidated condensed interim financial statements included in this half-year report have been reviewed by PricewaterhouseCoopers Société coopérative, *Cabinet de révision agréé*, for purposes of complying with the requirements of the different jurisdictions where the Company is publicly listed.

Rounding

Certain monetary amounts, percentages and other figures included in this half-year report 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.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This half-year report and any other oral or written statements made by us to the public may contain “forward-looking statements”. Forward looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements.

We use words such as “aim”, “will likely result”, “will continue”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “should”, “will pursue”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe” and words and terms of similar substance to identify forward-looking statements, but they are not the only way we identify such statements. All forward-looking statements are management’s present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These factors include the risks related to our business discussed under “Principal Risks and Uncertainties”, among them, the following:

- our ability to implement our business strategy or to grow through acquisitions, joint ventures and other investments;
- the competitive environment in our business and our industry;
- our ability to price our products and services in accordance with our strategy;
- trends in the levels of investment in oil and gas exploration and drilling worldwide;
- general macroeconomic and political conditions and developments in the countries in which we operate or distribute pipes; *and*
- our ability to absorb cost increases and to secure supplies of essential raw materials and energy.

By their nature, certain disclosures relating to these and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses that may affect our financial condition and results of operations could differ materially from those that have been estimated. You should not place undue reliance on the forward-looking statements, which speak only as of the date of this half-year report. Except as required by law, we are not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

We are a leading global manufacturer and supplier of steel pipe products and related services for the world’s energy industry and for other industrial applications. Our customers include most of the world’s leading oil and gas companies as well as engineering companies engaged in constructing oil and gas gathering, transportation, processing and power generation facilities. Our principal products include casing, tubing, line pipe, and mechanical and structural pipes.

Over the last two decades, we have expanded our business globally through a series of strategic investments. We now operate an integrated worldwide network of steel pipe manufacturing, research, finishing and service facilities with industrial operations in the Americas, Europe, Asia and Africa and a direct presence in most major oil and gas markets.

Our mission is to deliver value to our customers through product development, manufacturing excellence, and supply chain management. We seek to minimize risk for our customers and help them reduce costs, increase flexibility and improve time-to-market. Our employees around the world are committed to continuous improvement by sharing knowledge across a single global organization.

For more information on the Company, including its competitive strengths, business segments and products see our annual report for the year ended December 31, 2013, and for a discussion and analysis of our financial condition and results of operations see “Business overview - Operating and Financial Review and Prospects” in this half-year report.

PRINCIPAL RISKS AND UNCERTAINTIES

We face certain risks associated to our business and the industry in which we operate. We are a global steel pipe manufacturer with a strong focus on manufacturing products and related services for the oil and gas industry. Demand for our products depends primarily on the level of exploration, development and production activities of oil and gas companies which is affected by current and expected future prices of oil and natural gas. Several factors, such as the supply and demand for oil and gas, and political and global economic conditions, affect these prices. Performance may be further affected by changes in governmental policies, the impact of credit restrictions on our customers' ability to perform their payment obligations with us, and any adverse economic, political or social developments in our major markets. Furthermore, competition in the global market for steel pipe products may cause us to lose market share and hurt our sales and our profitability may be hurt if increases in the cost of raw materials and energy cannot be offset by higher selling prices. In addition, there is an increased risk that unfairly-traded steel pipe imports in markets in which Tenaris produces and sells its products may affect Tenaris's market share, deteriorate the pricing environment and hurt sales and profitability. A recession in the developed countries, a cooling of emerging market economies or an extended period of below-trend growth in the economies that are major consumers of steel pipe products would likely result in reduced demand of our products, adversely affecting our revenues, profitability and financial condition.

We have significant operations in various countries, including Argentina, Brazil, Canada, Colombia, Italy, Japan, Mexico, Romania and the United States, and we sell our products and services throughout the world. Therefore, like other companies with worldwide operations, our business and operations have been, and could in the future be, affected from time to time to varying degrees by political, economic and social developments and changes in, laws and regulations. These developments and changes may include, among others, nationalization, expropriations or forced divestiture of assets; restrictions on production, imports and exports, interruptions in the supply of essential energy inputs; exchange and/or transfer restrictions, inability or increasing difficulties to repatriate income or capital or to make contract payments; inflation; devaluation; war or other international conflicts; civil unrest and local security concerns, including high incidences of crime and violence involving drug trafficking organizations that threaten the safe operation of our facilities and operations; direct and indirect price controls; tax increases and changes in the interpretation, application or enforcement of tax laws and other retroactive tax claims or challenges; changes in laws, norms and regulations; cancellation of contract rights; and delays or denials of governmental approvals. As a global company, a portion of our business is carried out in currencies other than the U.S. dollar, which is the Company's functional currency. As a result, we are exposed to foreign exchange rate risk, which could adversely affect our financial position and results of operations.

In 2009, Venezuela's former President Hugo Chávez announced the nationalization of Tavsa, Matesi, Materiales Siderúrgicos S.A., or Matesi, and Complejo Siderurgico de Guayana, C.A., or Comsigua, and Venezuela formally assumed exclusive operational control over the assets of Tavsa. In 2010, Venezuela's National Assembly declared Matesi's assets to be of public and social interest and ordered the Executive Branch to take the necessary measures for the expropriation of such assets. Our investments in Tavsa, Matesi and Comsigua are protected under applicable bilateral investment treaties, including the bilateral investment treaty between Venezuela and the Belgian-Luxembourgish Union, and Tenaris continues to reserve all of its rights under contracts, investment treaties and Venezuelan and international law. Tenaris has consented to the jurisdiction of the International Centre for Settlement of Investment Disputes, or ICSID, in connection with the nationalization process. In August 2011 and July 2012, respectively, Tenaris and its wholly-owned subsidiary Talta - Trading e Marketing Sociedad Unipessoal Lda, or Talta, initiated arbitration proceedings against Venezuela before the ICSID seeking adequate and effective compensation for the expropriation of their investments in Matesi and Tavsa and Comsigua. However, we can give no assurance that the Venezuelan government will agree to pay a fair and adequate compensation for our interest in Tavsa, Matesi and Comsigua, or that any such compensation will be freely convertible into or exchangeable for foreign currency. For further information on the nationalization of the Venezuelan subsidiaries, see note 31 "Nationalization of Venezuelan Subsidiaries" to our annual report for the year ended December 31, 2013.

A key element of our business strategy is to develop and offer higher value-added products and services and to continuously identify and pursue growth-enhancing strategic opportunities. We must necessarily base any assessment of potential acquisitions, joint ventures and investments, on assumptions with respect to operations, profitability and other matters that may subsequently prove to be incorrect. Failure to successfully implement our strategy, or to integrate future acquisitions and strategic investments, or to sell acquired assets or business unrelated to our business under favorable terms and conditions, could affect our ability to grow, our competitive position and our sales and profitability.

We may be required to record a significant charge to earnings if we must reassess our goodwill or other assets as a result of changes in assumptions underlying the carrying value of certain assets, particularly as a consequence of deteriorating market conditions. At June 30, 2014 we had $1,807 million in goodwill corresponding mainly to the acquisition of Hydril, in 2007 ($920 million) and Maverick, in 2006 ($771 million). As of December 31, 2012, an impairment test over our investment in Usiminas was performed and, subsequently, the goodwill of such investment was written down by $74 million. If our management were to determine in the future that the goodwill or other assets were impaired, particularly as a consequence of deteriorating market conditions, we would be required to recognize a non-cash charge to reduce the value of these assets, which would adversely affect our results of operations.

Potential environmental, product liability and other claims arising from the inherent risks associated with the products we sell and the services we render, including well failures, line pipe leaks, blowouts, bursts and fires, that could result in death, personal injury, property damage, environmental pollution or loss of production could create significant liabilities for us. Environmental laws and regulations may, in some cases, impose strict liability (even joint and several strict liability) rendering a person liable for damages to natural resources or threats to public health and safety without regard to negligence or fault. In addition, we are subject to a wide range of local, provincial and national laws, regulations, permit requirements and decrees relating to the protection of human health and the environment, including laws and regulations relating to hazardous materials and radioactive materials and environmental protection governing air emissions, water discharges and waste management. Laws and regulations protecting the environment have become increasingly complex and more stringent and expensive to implement in recent years. The cost of complying with such regulations is not always clearly known or determinable since some of these laws have not yet been promulgated or are under revision. These costs, along with unforeseen environmental liabilities, may increase our operating costs or negatively impact our net worth.

We conduct business in certain countries known to experience governmental corruption. Although we are committed to conducting business in a legal and ethical manner in compliance with local and international statutory requirements and standards applicable to our business, there is a risk that our employees or representatives may take actions that violate applicable laws and regulations that generally prohibit the making of improper payments to foreign government officials for the purpose of obtaining or keeping business, including laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions such as the U.S. Foreign Corrupt Practices Act, or FCPA.

As a holding company, our ability to pay expenses, debt service and cash dividends depends on the results of operations and financial condition of our subsidiaries, which could be restricted by legal, contractual or other limitations, including exchange controls or transfer restrictions, and other agreements and commitments of our subsidiaries.

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

BUSINESS OVERVIEW

Operating and Financial Review and Prospects

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements and the related notes included in our annual report for the year ended December 31, 2013, and is based on, and should be read in conjunction with, the unaudited consolidated condensed interim financial statements for the six-month period ended June 30, 2014, included in this half-year report.

Certain information contained in this discussion and analysis and presented elsewhere in this half-year report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See "Cautionary Statement Concerning Forward-Looking Statements" in this half-year report. In evaluating this discussion and analysis, you should specifically consider the various risk factors identified in "Principal Risks and Uncertainties", other risk factors identified elsewhere in this half-year report and other factors that could cause results to differ materially from those expressed in such forward-looking statements.

Market Background and Outlook

In the United States, drilling activity has gradually increased in the first half. Higher oil production is boosting operator cash flows which is expected to drive further expansion. The duties on OCTG imports from nine countries, including South Korea, determined by the U.S. Department of Commerce, if confirmed by the U.S. International Trade Commission in its injury ruling expected in August, should provide some relief to domestic OCTG manufacturers and result in increased sales and a more favorable pricing environment. Elsewhere in North America, we expect drilling activity and sales in Mexico to recover slowly in the second half while drilling activity and sales in Canada should be above last year's levels.

In the rest of the world, drilling activity continues to show a gradual increase in many regions, led by gas drilling in the Middle East and deepwater drilling in sub-Saharan Africa. However, our sales and product mix in the second half will be affected by inventory adjustments in Saudi Arabia and a continuing low level of sales in Brazil. Sales in the third quarter will be additionally affected by lower shipments to sub-Saharan Africa following the record level of this quarter.

Considering these effects, we confirm our expectation that our overall results for 2014 will be in line with those for 2013, with a decline in the third quarter followed by a recovery in the fourth.

Results of Operations

Unaudited consolidated condensed interim income statement

(all amounts in thousands of U.S. dollars, unless otherwise stated)	**Six-month period ended June 30,**			
	2014		**2013**	
Continuing operations		**%**		**%**
Net sales	5,240,826	100.0	5,507,575	100.0
Cost of sales	(3,117,922)	(59.5)	(3,359,875)	(61.0)
Gross profit	**2,122,904**	**40.5**	**2,147,700**	**39.0**
Selling, general and administrative expenses	(1,007,097)	(19.2)	(1,004,894)	(18.2)
Other operating income (expense), net	(755)	(0.0)	(11,025)	(0.2)
Operating income	**1,115,052**	**21.3**	**1,131,781**	**20.5**
Interest income	19,006	0.4	12,951	0.2
Interest expense	(23,621)	(0.5)	(30,529)	(0.6)
Other financial results	47,578	0.9	(2,336)	(0.0)
Income before equity in earnings of associated companies and income tax	**1,158,015**	**22.1**	**1,111,867**	**20.2**
Equity in earnings of associated companies	33,188	0.6	24,066	0.4
Income before income tax	**1,191,203**	**22.7**	**1,135,933**	**20.6**
Income tax	(343,284)	(6.6)	(283,651)	(5.2)
Income for the period	**847,919**	**16.2**	**852,282**	**15.5**
Attributable to:				
Owners of the parent	830,390	15.8	842,605	15.3
Non-controlling interests	17,529	0.3	9,677	0.2
	847,919	**16.2**	**852,282**	**15.5**

Selected consolidated financial position data

Thousands of U.S. dollars (except number of shares)	**June 30, 2014**	**December 31, 2013**
Current assets	7,523,834	6,925,472
Property, plant and equipment, net	4,856,796	4,673,767
Other non-current assets	4,376,394	4,331,731
Total assets	16,757,024	15,930,970
Current liabilities	2,574,946	2,119,729
Non-current borrowings	173,083	246,218
Deferred tax liabilities	710,151	751,105
Other non-current liabilities	356,821	344,052
Total liabilities	3,815,001	3,461,104
Capital and reserves attributable to the owners of the parent	12,793,540	12,290,420
Non-controlling interests	148,483	179,446
Equity	12,942,023	12,469,866
Total liabilities and equity	16,757,024	15,930,970
Number of shares outstanding	1,180,536,830	1,180,536,830

Six-month period ended June 30, 2014, compared to six-month period ended June 30, 2013

Summary

Our sales in the first half of 2014 declined 5% compared to the first half of 2013, mainly due to lower shipments of welded pipes in Brazil. EBITDA declined 1% to $1.421 million in the first half of 2014 compared to $1,429 million in the first half of the previous year, as an improvement in margins, driven by a better mix of products sold, partially offset the decline in sales. Operating income was $1,115 million, or 21.3% of net sales during the first half of 2014, compared to $1,132 million, or 20.5% of net sales during the first half of 2013. Net income attributable to owners of the parent during the first half of 2014 was $830 million, or $0.70 per share ($1.41 per ADS), which compares with $843 million, or $0.71 per share ($1.43 per ADS), in the first half of 2013.

Cash flow from operations amounted to $1,178 million during the first half of 2014. Following a dividend payment of $354 million in May 2014, and capital expenditures of $412 million during the first half of 2014, we reached a net cash position (cash and other current investments less total borrowings) of $1.3 billion at the end of June 2014.

The following table shows our net sales by business segment for the periods indicated below:

Millions of U.S. dollars	**For the six-month period ended June 30,**				**Increase / (Decrease)**
	2014		**2013**		
Tubes	4,865	93%	5,107	93%	(5%)
Others	376	7%	400	7%	(6%)
Total	**5,241**	**100%**	**5,508**	**100%**	**(5%)**

Tubes

The following table indicates for our Tubes business segment, sales volumes of seamless and welded pipes for the periods indicated below:

Thousands of tons	**For the six-month period ended June 30,**		**Increase / (Decrease)**
	2014	**2013**	
Seamless	1,372	1,334	3%
Welded	440	576	(24%)
Total	**1,812**	**1,910**	**(5%)**

The following table indicates, for our Tubes business segment, net sales by geographic region, operating income and operating income as a percentage of net sales for the periods indicated below:

Millions of U.S. dollars	**For the six-month period ended June 30,**		**Increase / (Decrease)**
	2014	**2013**	
Net sales			
- North America	2,154	2,129	1%
- South America	894	1,247	(28%)
- Europe	519	486	7%
- Middle East & Africa	1,096	1,026	7%
- Far East & Oceania	202	219	(8%)
Total net sales	**4,865**	**5,107**	**(5%)**
Operating income	**1,099**	**1,079**	**2%**
Operating income (% of sales)	**22.6%**	**21.1%**	

Net sales of tubular products and services decreased 5% to $4,865 million in the first half of 2014, compared to $5,107 million in the first half of 2013, as a result of flat average selling prices and lower shipments of welded pipes in Brazil.

Operating income from tubular products and services increased 2% to $1,099 million in the first half of 2014, from $1,079 million in the first half of 2013. Despite a 5% decrease in net sales, operating income increased due to an improvement in the operating margin, mainly due to a better mix of products sold.

Others

The following table indicates, for our Others business segment, net sales, operating income and operating income as a percentage of net sales for the periods indicated below:

Millions of U.S. dollars	**For the six-month period ended June 30,**		**Increase / (Decrease)**
	2014	**2013**	
Net sales	376	400	(6%)
Operating income	16	53	(70%)
Operating income (% of sales)	4.3%	13.3%	

Net sales of other products and services decreased 6% to $376 million in the first half of 2014, compared to $400 million in the first half of 2013, mainly due to lower sales of industrial equipment in Brazil.

Operating income from other products and services decreased 70%, to $16 million in the first half of 2014, compared to $53 million during the first half of 2013, due to a 6% decline in sales and a lower operating margin.

Selling, general and administrative expenses, or SG&A, amounted to $1,007 million in the first half of 2014 and $1,005 million in the first half of 2013, however, it increased as a percentage of net sales to 19.2% in the first half of 2014 compared to 18.2% in the first half of 2013 mainly due to the effect of fixed and semi fixed expenses on lower sales.

Financial results amounted to a gain of $43 million in the first half of 2014, compared to a loss of $20 million in the first half of 2013. Net interest expenses amounted to $5 million in the first half of 2014, compared to $18 million in the first half of 2013. The decrease in interest expenses was due to an increase in our net cash position. In addition, in the first half of 2014 we had positive other financial results amounting to $48 million, mainly due to the positive impact from the Argentine peso devaluation against the U.S. dollar on our Argentine peso-denominated borrowings and liabilities.

Equity in earnings of associated companies generated a gain of $33 million in the first half of 2014, compared to a gain of $24 million in the first half of 2013. These results are mainly derived from our equity investment in Ternium (NYSE:TX) and Usiminas (BSP:USIM).

Income tax charges amounted to $343 million in the first half of 2014, equivalent to 29.6% of income before equity in earnings of associated companies and income tax, compared to $284 million in the first half of 2013, or 25.5% of income before equity in earnings of associated companies and income tax. During the first half of 2014, the tax rate was negatively affected by the effect of the Argentine peso devaluation on the tax base used to calculate deferred taxes.

Income attributable to non-controlling interests amounted to $18 million in the first half of 2014, compared to $10 million in the first half of 2013. These results are mainly attributable to NKKTubes, our Japanese subsidiary.

Liquidity and Capital Resources

The following table provides certain information related to our cash generation and changes in our cash and cash equivalents position for the periods indicated below:

Millions of U.S. dollars	**For the six-month period ended June 30,**	
	2014	**2013**
Net cash provided by operating activities	1,178	1,163
Net cash used in investing activities	(943)	(798)
Net cash used in financing activities	(196)	(515)
Increase (Decrease) in cash and cash equivalents	40	(150)
Cash and cash equivalents at the beginning of year	598	773
Effect of exchange rate changes	2	(17)
Increase (Decrease) in cash and cash equivalents	40	(150)
Cash and cash equivalents at period end (net of overdrafts)	640	606

	At June 30, 2014	At June 30, 2013
Cash and cash equivalents	642	618
Other investments	1,727	1,113
Borrowings	(1,086)	(1,517)
Net cash / (debt)	1,283	214

Net cash provided by operations during the first half of 2014 amounted to $1,178 million, compared to $1,163 million in the first half of 2013.

Capital expenditures amounted to $412 million in the first half of 2014, compared to $364 million in the first half of 2013. The increase has to do mainly with the progress in the construction of the greenfield seamless facility in Bay City, Texas.

Following a dividend payment of $354 million in May 2014, our financial position at June 30, 2014, amounted to a net cash position (i.e., cash and other current investments less total borrowings) of $1.3 billion, compared with a net cash position of $214 million at June 30, 2013.

MAIN EVENTS OF THE PERIOD

Annual General Meeting of Shareholders

On May 7, 2014, the Company's annual general shareholders' meeting approved all resolutions on its agenda.

Among other resolutions adopted at the meeting, the shareholders approved the consolidated financial statements as of and for the year ended December 31, 2013 and the annual accounts as at December 31, 2013, and acknowledged the related management and independent auditors' reports and certifications.

The meeting also approved the payment of a dividend for the year ended December 31, 2013, of $0.43 per share (or $0.86 per ADS), or approximately $508 million, which includes the interim dividend of $0.13 per share (or $0.26 per ADS) paid in November 2013. Tenaris paid the balance of the annual dividend in the amount of $0.30 per share ($0.60 per ADS), or approximately $354 million, on May 22, 2014.

The annual general meeting of shareholders approved the re-election of the current members of the board of directors, each to hold office until the meeting that will be convened to decide on the 2014 accounts.

The board of directors subsequently confirmed and re-appointed Amadeo Vázquez y Vázquez, Jaime Serra Puche and Roberto Monti as members of Tenaris's audit committee, with Mr. Vázquez y Vázquez to continue as chairman. All three members of the audit committee qualify as independent directors under the articles and applicable law.

The meeting appointed PricewaterhouseCoopers Société coopérative, *Cabinet de révision agréé* (member firm of PwC International Limited) as Tenaris's independent auditors for the fiscal year ending December 31, 2014.

Tenaris Extends Term of NKKTubes Agreement Through 2030

On May 23, 2014, we announced the successful completion of the renegotiation with our partner in Japan, JFE Steel Corporation, for the governance and operation of NKKTubes. NKKTubes is a leading Japanese seamless steel pipe manufacturer that produces a wide range of carbon, alloy and stainless steel pipes for the domestic and export markets. Tenaris holds a 51% interest in NKKTubes, while JFE Steel Corporation holds the remaining 49%.

The agreement, which was due to expire on July 31, 2015, will now run through July 31, 2030. JFE Steel Corporation will continue to supply steel billets and other essential inputs and services to NKKTubes under existing supply agreements.

RELATED PARTY TRANSACTIONS

Tenaris is a party to several related party transactions, which include, among others, purchases and sales of goods (including steel pipes, flat steel products, steel bars, raw materials, gas and electricity) and services (including engineering services and related services) from or to entities controlled by San Faustin or in which San Faustin holds significant interests. Material related party transactions are subject to the review of the audit committee of the Company's board of directors and the requirements of the Company's articles of association and Luxembourg law. For further detail on Tenaris's related party transactions, see Note 13 "*Related party transactions*" to our unaudited consolidated condensed interim financial statements included in this half-year report.

MANAGEMENT CERTIFICATION

We confirm, to the best of our knowledge, that:

1. the unaudited consolidated condensed interim financial statements prepared in conformity with International Financial Reporting Standards included in this half year report, give a true and fair view of the assets, liabilities, financial position and profit or loss of Tenaris S.A. and its consolidated subsidiaries, taken as a whole; and

2. the interim management report included in this half year report, includes a fair review of the important events that have occurred during the six-month period ended June 30, 2014, and their impact on the unaudited consolidated condensed interim financial statements for such period, material related party transactions and a description of the principal risks and uncertainties they face.

/s/ Paolo Rocca

Chief Executive Officer
Paolo Rocca
July 30, 2014

/s/ Edgardo Carlos

Chief Financial Officer
Edgardo Carlos
July 30, 2014

FINANCIAL INFORMATION

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2014

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Tenaris S.A.

We have reviewed the accompanying consolidated condensed interim statement of financial position of Tenaris S.A. and its subsidiaries as of June 30, 2014, and the related consolidated condensed interim statements of income and of comprehensive income for each of the three-month and six-month periods ended June 30, 2014 and 2013, and the consolidated condensed interim statements of changes in equity and of cash flows for the six-month periods ended June 30, 2014 and 2013. These consolidated condensed interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated condensed interim financial statements for them to be in conformity with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and adopted by the European Union.

We previously audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statement of financial position as of December 31, 2013, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 20, 2014, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated condensed statement of financial position as of December 31, 2013, is fairly stated in all material respects in relation to the consolidated statement of financial position from which it has been derived.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, July 30, 2014

Mervyn R. Martins

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT

(all amounts in thousands of U.S. dollars, unless otherwise stated)	Notes	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Continuing operations		(Unaudited)		(Unaudited)	
Net sales	3	2,660,882	2,829,270	5,240,826	5,507,575
Cost of sales	4	(1,590,888)	(1,714,443)	(3,117,922)	(3,359,875)
Gross profit		**1,069,994**	**1,114,827**	**2,122,904**	**2,147,700**
Selling, general and administrative expenses	5	(518,237)	(529,329)	(1,007,097)	(1,004,894)
Other operating income (expense), net		(2,475)	(7,302)	(755)	(11,025)
Operating income		**549,282**	**578,196**	**1,115,052**	**1,131,781**
Interest income	6	9,944	6,870	19,006	12,951
Interest expense	6	(10,618)	(16,620)	(23,621)	(30,529)
Other financial results	6	1,144	(955)	47,578	(2,336)
Income before equity in earnings of associated companies and income tax		**549,752**	**567,491**	**1,158,015**	**1,111,867**
Equity in earnings of associated companies		14,367	11,869	33,188	24,066
Income before income tax		**564,119**	**579,360**	**1,191,203**	**1,135,933**
Income tax		(144,219)	(149,795)	(343,284)	(283,651)
Income for the period		**419,900**	**429,565**	**847,919**	**852,282**
Attributable to:					
Owners of the parent		407,885	417,828	830,390	842,605
Non-controlling interests		12,015	11,737	17,529	9,677
		419,900	**429,565**	**847,919**	**852,282**
Earnings per share attributable to the owners of the parent during the period:					
Weighted average number of ordinary shares (thousands)		1,180,537	1,180,537	1,180,537	1,180,537
Continuing operations					
Basic and diluted earnings per share (U.S. dollars per share)		0.35	0.35	0.70	0.71
Basic and diluted earnings per ADS (U.S. dollars per ADS) (1)		0.69	0.71	1.41	1.43

(1) Each ADS equals two shares.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(all amounts in thousands of U.S. dollars)	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
	(Unaudited)		(Unaudited)	
Income for the period	419,900	429,565	847,919	852,282
Items that will not be reclassified to profit or loss:				
Remeasurements of post employment benefit obligations	4,428	-	4,428	-
Income tax on items that will not be reclassified	(1,165)	-	(1,165)	-
	3,263	**-**	**3,263**	**-**
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	(1,598)	(17,990)	11,312	(40,811)
Change in value of available for sale financial instruments and cash flow hedges	2,020	1,981	618	5,219
Share of other comprehensive income of associates:				
- Currency translation adjustment	12,078	(52,316)	12,506	(47,779)
- Changes in the fair value of derivatives held as cash flow hedges	(339)	(599)	(904)	1,129
Income tax relating to items that may be reclassified	5	(8)	33	679
Other comprehensive income (loss) for the period, net of tax	**15,429**	**(68,932)**	**26,828**	**(81,563)**
Total comprehensive income for the period	**435,329**	**360,633**	**874,747**	**770,719**
Attributable to:				
Owners of the parent	423,386	348,751	857,273	761,099
Non-controlling interests	11,943	11,882	17,474	9,620
	435,329	**360,633**	**874,747**	**770,719**

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2013.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(all amounts in thousands of U.S. dollars)	Notes	At June 30, 2014 (Unaudited)		At December 31, 2013	
ASSETS					
Non-current assets					
Property, plant and equipment, net	**8**	4,856,796		4,673,767	
Intangible assets, net	**9**	2,993,696		3,067,236	
Investments in associated companies		941,501		912,758	
Other investments		1,813		2,498	
Deferred tax assets		219,560		197,159	
Receivables		219,824	9,233,190	152,080	9,005,498
Current assets					
Inventories		2,774,035		2,702,647	
Receivables and prepayments		232,688		220,224	
Current tax assets		163,340		156,191	
Trade receivables		1,962,412		1,982,979	
Available for sale assets		21,572		21,572	
Other investments	**10**	1,727,405		1,227,330	
Cash and cash equivalents	**10**	642,382	7,523,834	614,529	6,925,472
Total assets			**16,757,024**		**15,930,970**
EQUITY					
Capital and reserves attributable to owners of the parent			12,793,540		12,290,420
Non-controlling interests			148,483		179,446
Total equity			**12,942,023**		**12,469,866**
LIABILITIES					
Non-current liabilities					
Borrowings		173,083		246,218	
Deferred tax liabilities		710,151		751,105	
Other liabilities		284,168		277,257	
Provisions		72,653	1,240,055	66,795	1,341,375
Current liabilities					
Borrowings		913,125		684,717	
Current tax liabilities		318,334		266,760	
Other liabilities		342,022		250,997	
Provisions		28,835		25,715	
Customer advances		92,041		56,911	
Trade payables		880,589	2,574,946	834,629	2,119,729
Total liabilities			**3,815,001**		**3,461,104**
Total equity and liabilities			**16,757,024**		**15,930,970**

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2013.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(all amounts in thousands of U.S. dollars)

	Attributable to owners of the parent								
	Share Capital (1)	Legal Reserves	Share Premium	Currency Translation Adjustment	Other Reserves	Retained Earnings (2)	Total	Non-controlling interests	Total
									(Unaudited)
Balance at December 31, 2013	**1,180,537**	**118,054**	**609,733**	**(406,744)**	**(305,758)**	**11,094,598**	**12,290,420**	**179,446**	**12,469,866**
Income for the period	**-**	**-**	**-**	**-**	**-**	**830,390**	**830,390**	**17,529**	**847,919**
Currency translation adjustment	-	-	-	11,382	-	-	**11,382**	(70)	**11,312**
Remeasurements of post employment benefit obligations, net of taxes	-	-	-	-	3,254	-	**3,254**	9	**3,263**
Change in value of available for sale financial instruments and cash flow hedges net of tax	-	-	-	-	645	-	**645**	6	**651**
Share of other comprehensive income of associates	-	-	-	12,506	(904)	-	**11,602**	-	**11,602**
Other comprehensive income (loss) for the period	**-**	**-**	**-**	**23,888**	**2,995**	**-**	**26,883**	**(55)**	**26,828**
Total comprehensive income for the period	**-**	**-**	**-**	**23,888**	**2,995**	**830,390**	**857,273**	**17,474**	**874,747**
Acquisition of non-controlling interests	-	-	-	-	8	-	**8**	(148)	**(140)**
Dividends paid in cash	-	-	-	-	-	(354,161)	**(354,161)**	(48,289)	**(402,450)**
Balance at June 30, 2014	**1,180,537**	**118,054**	**609,733**	**(382,856)**	**(302,755)**	**11,570,827**	**12,793,540**	**148,483**	**12,942,023**

	Attributable to owners of the parent								
	Share Capital (1)	Legal Reserves	Share Premium	Currency Translation Adjustment	Other Reserves	Retained Earnings	Total	Non-controlling interests	Total
									(Unaudited)
Balance at December 31, 2012	**1,180,537**	**118,054**	**609,733**	**(316,831)**	**(314,297)**	**10,050,835**	**11,328,031**	**171,561**	**11,499,592**
Income for the period	**-**	**-**	**-**	**-**	**-**	**842,605**	**842,605**	**9,677**	**852,282**
Currency translation adjustment	-	-	-	(40,754)	-	-	**(40,754)**	(57)	**(40,811)**
Hedge reserve, net of tax	-	-	-	-	5,898	-	**5,898**	-	**5,898**
Share of other comprehensive income of associates	-	-	-	(47,779)	1,129	-	**(46,650)**	-	**(46,650)**
Other comprehensive (loss) income for the period	**-**	**-**	**-**	**(88,533)**	**7,027**	**-**	**(81,506)**	**(57)**	**(81,563)**
Total comprehensive income for the period	**-**	**-**	**-**	**(88,533)**	**7,027**	**842,605**	**761,099**	**9,620**	**770,719**
Acquisition of non-controlling interests	-	-	-	-	(10,552)	-	**(10,552)**	2,784	**(7,768)**
Dividends paid in cash	-	-	-	-	-	(354,161)	**(354,161)**	(18,529)	**(372,690)**
Balance at June 30, 2013	**1,180,537**	**118,054**	**609,733**	**(405,364)**	**(317,822)**	**10,539,279**	**11,724,417**	**165,436**	**11,889,853**

(1) The Company has an authorized share capital of a single class of 2.5 billion shares having a nominal value of USD1.00 per share. As of June 30, 2014 and 2013 there were 1,180,536,830 shares issued. All issued shares are fully paid.
(2) The Distributable Reserve and Retained Earnings as of December 31, 2013 calculated in accordance with Luxembourg Law are disclosed in Note 11.

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2013.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

(all amounts in thousands of U.S. dollars)	Notes	Six-month period ended June 30, 2014	2013
Cash flows from operating activities		**(Unaudited)**	
Income for the period		847,919	852,282
Adjustments for:			
Depreciation and amortization	**8 & 9**	305,743	296,972
Income tax accruals less payments		58,411	25,021
Equity in earnings of associated companies		(33,188)	(24,066)
Interest accruals less payments, net		(18,056)	(35,021)
Changes in provisions		8,978	(917)
Changes in working capital		33,362	72,457
Other, including currency translation adjustment		(24,839)	(24,021)
Net cash provided by operating activities		**1,178,330**	**1,162,707**
Cash flows from investing activities			
Capital expenditures	**8 & 9**	(412,222)	(363,559)
Advance to suppliers of property, plant and equipment		(24,849)	11,758
Investment in associated companies	**12**	(1,380)	-
Loan to associated companies	**12**	(28,648)	-
Proceeds from disposal of property, plant and equipment and intangible assets		6,606	6,746
Dividends received from associated companies		17,429	16,127
Changes in investments in short terms securities		(500,075)	(468,656)
Net cash used in investing activities		**(943,139)**	**(797,584)**
Cash flows from financing activities			
Dividends paid	**7**	(354,161)	(354,161)
Dividends paid to non-controlling interest in subsidiaries		(48,289)	(18,529)
Acquisitions of non-controlling interests		(140)	(7,768)
Proceeds from borrowings (*)		1,207,214	1,220,390
Repayments of borrowings (*)		(1,000,200)	(1,354,772)
Net cash used in financing activities		**(195,576)**	**(514,840)**
Increase (Decrease) in cash and cash equivalents		**39,615**	**(149,717)**
Movement in cash and cash equivalents			
At the beginning of the period		598,145	772,656
Effect of exchange rate changes		2,064	(16,913)
Increase (Decrease) in cash and cash equivalents		39,615	(149,717)
At June 30,		**639,824**	**606,026**

	At June 30, 2014	2013
Cash and cash equivalents		
Cash and bank deposits	642,382	618,435
Bank overdrafts	(2,558)	(12,409)
	639,824	**606,026**

(*) Mainly related to the renewal of short-term local facilities carried out during the six-month period ending June 30, 2014 and June 30,2013, respectively.

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2013.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(In the notes all amounts are shown in U.S. dollars, unless otherwise stated)

1 General information

Tenaris S.A. (the "Company") was established as a public limited liability company (*Société Anonyme*) under the laws of the Grand-Duchy of Luxembourg on December 17, 2001. The Company holds, either directly or indirectly, controlling interests in various subsidiaries in the steel pipe manufacturing and distribution businesses. References in these Consolidated Condensed Interim Financial Statements to "Tenaris" refer to Tenaris S.A. and its consolidated subsidiaries. A list of the principal Company's subsidiaries is included in Note 30 to the Company's audited Consolidated Financial Statements for the year ended December 31, 2013.

The Company's shares trade on the Buenos Aires Stock Exchange, the Italian Stock Exchange and the Mexican Stock Exchange; the Company's American Depositary Securities ("ADS") trade on the New York Stock Exchange.

These Consolidated Condensed Interim Financial Statements were approved for issuance by the Company's board of directors on July 30, 2014.

2 Accounting policies and basis of presentation

These Consolidated Condensed Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting policies used in the preparation of these Consolidated Condensed Interim Financial Statements are consistent with those used in the audited Consolidated Financial Statements for the year ended December 31, 2013. These Consolidated Condensed Interim Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and adopted by the European Union ("EU").

The preparation of Consolidated Condensed Interim Financial Statements in conformity with IFRS requires management to make certain accounting estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet dates, and the reported amounts of revenues and expenses for the reported periods. Actual results may differ from these estimates.

Material inter-company transactions, balances and unrealized gains (losses) on transactions between Tenaris's subsidiaries have been eliminated in consolidation. However, since the functional currency of some subsidiaries is its respective local currency, some financial gains (losses) arising from inter-company transactions are generated. These are included in the Consolidated Condensed Interim Income Statement under *Other financial results*.

There were no changes in valuation techniques during the period and there have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2013.

Whenever necessary, certain comparative amounts have been reclassified to conform to change in presentation in current period.

Accounting pronouncements applicable as from January 1, 2014 and relevant for Tenaris

IFRS 15, "Revenue from contracts with customers"

In May 2014, the IASB issued IFRS 15, "revenue from contracts with customers", which sets out the requirements in accounting for revenue arising from contracts with customers and which is based on the principle that revenue is recognized when control of a good or service is transferred to the customer. IFRS 15 must be applied annual periods beginning on or after January 1, 2017.

This standard is not effective for the financial year beginning January 1, 2014 and has not been early adopted.

The Company's management has not assessed the potential impact that the application of these standards may have on the Company's financial condition or results of operations.

3 Segment Information

Reportable operating segment

(all amounts in thousands of U.S. dollars)	**(Unaudited)**		
Six-month ended June 30, 2014	**Tubes**	**Other**	**Total**
IFRS - Net Sales (*)	**4,864,780**	**376,046**	**5,240,826**
Management View - Operating income	1,090,298	8,073	**1,098,371**
· Differences in cost of sales and others	8,924	7,878	**16,802**
· Depreciation and amortization	(162)	41	**(121)**
IFRS - Operating income	**1,099,060**	**15,992**	**1,115,052**
Financial income (expense), net			42,963
Income before equity in earnings of associated companies and income tax			**1,158,015**
Equity in earnings of associated companies			33,188
Income before income tax			**1,191,203**
Capital expenditures	398,735	13,487	412,222
Depreciation and amortization	294,792	10,951	305,743

(all amounts in thousands of U.S. dollars)	**(Unaudited)**		
Six-month ended June 30, 2013	**Tubes**	**Other**	**Total**
Management View - Net Sales	5,107,375	360,118	**5,467,493**
· Sales of energy, surplus raw materials and others	-	40,082	**40,082**
IFRS - Net Sales	**5,107,375**	**400,200**	**5,507,575**
Management View - Operating income	1,112,813	50,434	**1,163,247**
· Differences in cost of sales and others	(31,713)	2,844	**(28,869)**
· Depreciation and amortization	(2,384)	(213)	**(2,597)**
IFRS - Operating income	**1,078,716**	**53,065**	**1,131,781**
Financial income (expense), net			(19,914)
Income before equity in earnings of associated companies and income tax			**1,111,867**
Equity in earnings of associated companies			24,066
Income before income tax			**1,135,933**
Capital expenditures	346,118	17,441	363,559
Depreciation and amortization	287,036	9,936	296,972

(*) In 2014, the company aligned the presentation of sales between Management and IFRS view.

In the six-month period ended June 30, 2014, net income under management view amounted to $697.2 million, while under IFRS amounted to $847.9 million. In addition to the above, the main differences arise from the impact of functional currencies on financial result, income taxes as well as the result of investments in associated companies.

3 Segment Information (Cont.)

Geographical information

	(Unaudited)					
(all amounts in thousands of U.S. dollars)	**North America**	**South America**	**Europe**	**Middle East & Africa**	**Far East & Oceania**	**Total**
Six-month ended June 30, 2014						
Net sales	2,337,957	1,039,848	552,765	1,106,149	204,107	5,240,826
Capital expenditures	190,226	155,576	54,833	1,109	10,478	412,222
Depreciation and amortization	166,624	60,048	63,292	4,866	10,913	305,743
Six-month ended June 30, 2013						
Net sales	2,287,402	1,434,293	523,107	1,041,049	221,724	5,507,575
Capital expenditures	114,123	184,600	51,761	2,174	10,901	363,559
Depreciation and amortization	161,994	52,993	65,942	5,260	10,783	296,972

Allocation of net sales to geographical information is based on customer location. Allocation of depreciation and amortization is based on the geographical location of the underlying assets.

There are no revenues from external customers attributable to the Company's country of incorporation (Luxembourg). For geographical information purposes, "North America" comprises Canada, Mexico and the United States; "South America" comprises principally Argentina, Brazil, Colombia, Ecuador and Venezuela; "Europe" comprises principally Italy, Norway and Romania; "Middle East and Africa" comprises principally Angola, Iraq, Nigeria, Saudi Arabia and United Arab Emirates; "Far East and Oceania" comprises principally China, Indonesia and Japan.

4 Cost of sales

	Six-month period ended June 30,	
(all amounts in thousands of U.S. dollars)	**2014**	**2013**
	(Unaudited)	
Inventories at the beginning of the period	**2,702,647**	**2,985,805**
Plus: Charges of the period		
Raw materials, energy, consumables and other	1,993,006	1,867,398
Services and fees	221,228	206,052
Labor cost	604,348	596,968
Depreciation of property, plant and equipment	182,986	176,895
Amortization of intangible assets	6,192	3,659
Maintenance expenses	105,370	109,172
Allowance for obsolescence	(2,752)	35,274
Taxes	9,505	2,646
Other	69,427	73,938
	3,189,310	**3,072,002**
Less: Inventories at the end of the period	(2,774,035)	(2,697,932)
	3,117,922	**3,359,875**

5 Selling, general and administrative expenses

(all amounts in thousands of U.S. dollars)	Six-month period ended June 30,	
	2014	**2013**
	(Unaudited)	
Services and fees	96,703	92,971
Labor cost	301,311	293,781
Depreciation of property, plant and equipment	10,264	9,128
Amortization of intangible assets	106,301	107,290
Commissions, freight and other selling expenses	299,240	312,514
Provisions for contingencies	16,922	18,114
Allowances for doubtful accounts	30,014	26,376
Taxes	78,242	83,316
Other	68,100	61,404
	1,007,097	**1,004,894**

6 Financial results

(all amounts in thousands of U.S. dollars)	Six-month period ended June 30,	
	2014	**2013**
	(Unaudited)	
Interest income	19,006	12,951
Interest expense	(23,621)	(30,529)
Interest net	**(4,615)**	**(17,578)**
Net foreign exchange transaction results	57,718	3,953
Results from Foreign exchange derivative contracts	(11,664)	3,949
Other	1,524	(10,238)
Other financial results	**47,578**	**(2,336)**
Net financial results	**42,963**	**(19,914)**

For the six month period ended June 30, 2014 other financial results are mainly due to the positive impact from the Argentine peso devaluation against the U.S. dollar on the Argentine peso denominated borrowings and liabilities.

7 Dividend distribution

On May 7, 2014 the Company’s Shareholders approved an annual dividend in the amount of $0.43 per share ($0.86 per ADS). The amount approved included the interim dividend previously paid in November 21, 2013 in the amount of $0.13 per share ($0.26 per ADS). The balance, amounting to $0.30 per share ($0.60 per ADS), was paid on May 22, 2014. In the aggregate, the interim dividend paid in November 2013 and the balance paid in May 2014 amounted to approximately $507.6 million.

On May 2, 2013 the Company’s Shareholders approved an annual dividend in the amount of $0.43 per share ($0.86 per ADS). The amount approved included the interim dividend previously paid in November 22, 2012 in the amount of $0.13 per share ($0.26 per ADS). The balance, amounting to $0.30 per share ($0.60 per ADS), was paid on May 23, 2013. In the aggregate, the interim dividend paid in November 2012 and the balance paid in May 2013 amounted to approximately $507.6 million.

8 Property, plant and equipment, net

(all amounts in thousands of U.S. dollars)	2014	2013
	(Unaudited)	
Six-month period ended June 30,		
Opening net book amount	4,673,767	4,434,970
Currency translation adjustment	9,143	(26,719)
Additions (*)	373,419	320,348
Disposals	(6,079)	(6,193)
Increase due to consolidation of joint operations	-	1,554
Transfers	(204)	(942)
Depreciation charge	(193,250)	(186,023)
At June 30,	**4,856,796**	**4,536,995**

(*)The increase has to do mainly with the progress in the construction of the greenfield seamless facility in Bay City, Texas.

9 Intangible assets, net

(all amounts in thousands of U.S. dollars)	2014	2013
	(Unaudited)	
Six-month period ended June 30,		
Opening net book amount	3,067,236	3,199,916
Currency translation adjustment	473	(800)
Additions	38,803	43,211
Transfers	204	942
Amortization charge	(112,493)	(110,949)
Disposals	(527)	(553)
At June 30,	**2,993,696**	**3,131,767**

10 Other investments and Cash and cash equivalents

	At June 30,	At December 31,
	2014	2013
Other investments	(Unaudited)	
Fixed Income (time-deposits, zero cupon bonds, commercial papers)	771,094	639,538
Bonds and other fixed Income	747,740	513,075
Equity & Fund Investments	208,571	74,717
	1,727,405	**1,227,330**
Cash and cash equivalents		
Cash at banks	99,456	123,162
Liquidity funds	96,750	95,042
Short – term investments	446,176	396,325
	642,382	**614,529**

11 Contingencies, commitments and restrictions to the distribution of profits

Contingencies

This note should be read in conjunction with Note 26 to the Company's audited Consolidated Financial Statements for the year ended December 31, 2013.

Tenaris is from time to time subject to various claims, lawsuits and other legal proceedings, including customer claims, in which third parties are seeking payment for alleged damages, reimbursement for losses or indemnity. Some of these claims, lawsuits and other legal proceedings involve highly complex issues, and often these issues are subject to substantial uncertainties. Accordingly, potential liability with respect to a large portion of such claims, lawsuits and other legal proceedings cannot be estimated with certainty. Management with the assistance of legal counsel periodically reviews the status of each significant matter and assesses potential financial exposure. If a potential loss from a claim, lawsuit or proceeding is considered probable and the amount can be reasonably estimated, a provision is recorded. Accruals for loss contingencies reflect a reasonable estimate of the losses to be incurred based on information available to management as of the date of preparation of the financial statements, and take into consideration litigation and settlement strategies. The Company believes that the aggregate provisions recorded for potential losses in these financial statements are adequate based upon currently available information. However, if management's estimates prove incorrect, current reserves could be inadequate and Tenaris could incur a charge to earnings which could have a material adverse effect on our results of operations, financial condition, net worth and cash flows.

Set forth below is a description of Tenaris's material ongoing legal proceedings:

- *Tax assessment in Italy*

  A Tenaris Italian company received on December 24, 2012 a tax assessment from the Italian tax authorities related to allegedly omitted withholding tax on dividend payments made in 2007. The assessment, which was for an estimated amount of EUR282 million (approximately $385 million), comprising principal, interest and penalties, was appealed with the tax court in Milan. In February 2014, the tax court issued its decision on this tax assessment, partially reversing the assessment for 2007 and lowering the claimed amount to approximately EUR9 million (approximately $12 million), including principal, interest and penalties.

  On December 24, 2013, the company received a second tax assessment from the Italian tax authorities related to allegedly omitted withholding tax on dividend payments made in 2008. This second assessment is for an estimated amount, as of June 30, 2014, of EUR248 million (approximately $339 million), comprising EUR67 million (approximately $92 million) in principal and EUR181 million (approximately $247 million) in interest and penalties. On February 20, 2014, the assessment for 2008 was appealed with the tax court in Milan.

  Based on the tax court decision on the first assessment, Tenaris believes that it is not probable that the ultimate resolution of the second tax assessment will result in a material obligation.

- *Companhia Siderúrgica Nacional (CSN) - Lawsuit*

  In 2013, Confab was notified of a lawsuit filed in Brazil by Companhia Siderúrgica Nacional (CSN) and various entities affiliated with CSN against Confab and the other entities acquiring Usiminas shares in the January 2012 transaction.

  The CSN lawsuit alleges that, under applicable Brazilian laws and rules, the acquirers were required to launch a tag-along tender offer to all non-controlling holders of Usiminas ordinary shares for a price per share equal to 80% of the price per share paid in such acquisition, or BRL28.8, and seeks an order to compel the acquirers to launch an offer at that price plus interest. If so ordered, the offer would need to be made to 182,609,851 ordinary shares of Usiminas not belonging to Usiminas's control group, and Confab would have a 17.9% share in the offer.

  On September 23, 2013, the first instance court issued its decision finding in favour of Confab and the other defendants and dismissing the CSN lawsuit. The claimants appealed the court decision and the defendants filed their response to the appeal. It is expected that the court of appeals will issue its judgment on the appeal within two years of the date hereof. Tenaris believes that CSN's allegations are groundless and without merit, as confirmed by several opinions of Brazilian counsel and previous decisions by Brazil's securities regulator Comissão de Valores Mobiliários, including a February 2012 decision determining that the above mentioned acquisition did not trigger any tender offer requirement and, more recently, the first instance court decision on this matter referred to above. Accordingly, no provision was recorded in these Consolidated Condensed Interim Financial Statements.

11 Contingencies, commitments and restrictions to the distribution of profits (Cont.)

Commitments

Set forth is a description of Tenaris's main outstanding commitments:

- A Tenaris company is a party to a contract with Nucor Corporation under which it is committed to purchase on a monthly basis a minimum volume of hot-rolled steel coils at prices that are negotiated annually by reference to prices to comparable Nucor customers. The contract became effective in May 2013 and will be in force until December 2017; provided, however, that either party may terminate the contract at any time after January 1, 2015 with 12-month prior notice. As of June 30, 2014, the estimated aggregate contract amount through December 31, 2015, calculated at current prices, is approximately $411 million.

- A Tenaris company entered into a contract with Siderar, a subsidiary of Ternium S.A. ("Ternium") for the supply of steam generated at the power generation facility that Tenaris owns in the compound of the Ramallo facility of Siderar. Under this contract, Tenaris is required to provide to Siderar 250 tn/hour of steam through to 2018, and Siderar has the obligation to take or pay this volume. The amount of this gas supply agreement totals approximately $59 million.

- A Tenaris company, entered into various contracts with suppliers pursuant to which it committed to purchase goods and services for a total amount of approximately $432 million related to the investment plan to expand Tenaris's US operations with the construction of a state-of-the-art seamless pipe mill in Bay City, Texas.

Restrictions to the distribution of profits and payment of dividends

As of December 31, 2013, equity as defined under Luxembourg law and regulations consisted of:

(all amounts in thousands of U.S. dollars)	
Share capital	1,180,537
Legal reserve	118,054
Share premium	609,733
Retained earnings including net income for the year ended December 31, 2013	21,899,189
Total equity in accordance with Luxembourg law	**23,807,513**

At least 5% of the Company's net income per year, as calculated in accordance with Luxembourg law and regulations, must be allocated to the creation of a legal reserve equivalent to 10% of the Company's share capital. As of December 31, 2013, this reserve was fully allocated and additional allocations to the reserve are not required under Luxembourg law. Dividends may not be paid out of the legal reserve.

The Company may pay dividends to the extent, among other conditions, that it has distributable retained earnings calculated in accordance with Luxembourg law and regulations.

At December 31, 2013, distributable amount under Luxembourg law totals $22.5 billion, as detailed below:

(all amounts in thousands of U.S. dollars)	
Retained earnings at December 31, 2012 under Luxembourg law	22,411,870
Other income and expenses for the year ended December 31, 2013	(5,050)
Dividends approved	(507,631)
Retained earnings at December 31, 2013 under Luxembourg law	**21,899,189**
Share premium	609,733
Distributable amount at December 31, 2013 under Luxembourg law	**22,508,922**

12 Other investment

Investment in Power Plant

Following the execution of an August 2013 memorandum of understanding for the construction and operation of a natural gas-fired combined cycle electric power plant in the Pesquería area of the State of Nuevo León, Mexico, as of February 2014, Tenaris, Ternium and Tecpetrol International S.A. (a wholly-owned subsidiary of San Faustin S.A., the controlling shareholder of both Tenaris and Ternium) completed their initial investments in Techgen, S.A. de C.V., a Mexican project company owned 48% by Ternium, 30% by Tecpetrol and 22% by Tenaris. Tenaris and Ternium also agreed to enter into power supply and transportation agreements with Techgen, pursuant to which Ternium and Tenaris will contract 78% and 22%, respectively, of Techgen's power capacity of between 850 and 900 megawatts.

13 Related party transactions

As of June 30, 2014:

- San Faustin S.A., a Luxembourg public limited liability company (Société Anonyme) ("San Faustin"), owned 713,605,187 shares in the Company, representing 60.45% of the Company's capital and voting rights.

- San Faustin owned all of its shares in the Company through its wholly-owned subsidiary Techint Holdings S.à r.l., a Luxembourg private limited liability company (Société à Responsabilité Limitée) ("Techint").

- Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin, a Dutch private foundation (Stichting) ("RP STAK") held shares in San Faustin sufficient in number to control San Faustin.

- No person or group of persons controls RP STAK.

Based on the information most recently available to the Company, Tenaris's directors and senior management as a group owned 0.12% of the Company's outstanding shares.

At June 30, 2014, the closing price of the Ternium's ADSs as quoted on the New York Stock Exchange was $27.93 per ADS, giving Tenaris's ownership stake a market value of approximately $641.6 million. At June 30, 2014, the carrying value of Tenaris's ownership stake in Ternium was approximately $610.9 million.

At June 30, 2014, the closing price of the Usiminas' ordinary shares as quoted on the BM&FBovespa Stock Exchange was BRL 6.92 (approximately USD 3.14) per share, giving Tenaris's ownership stake a market value of approximately $78.5 million. At June 30, 2014, the carrying value of Tenaris's ownership stake in Usiminas, was approximately $317.4 million. This amount includes goodwill and other tangible and intangible assets allocated in the purchase price for $46.8 million and $75.6 million, respectively.

Transactions and balances disclosed as with "Associated" companies are those with companies over which Tenaris exerts significant influence or joint control in accordance with IFRS, but does not have control. All other transactions and balances with related parties which are not Associated and which are not consolidated are disclosed as "Other".

13 Related party transactions (Cont.)

The following transactions were carried out with related parties.

	(all amounts in thousands of U.S. dollars)	Six-month period ended June 30,	
		2014	**2013**
(i)	**Transactions**	**(Unaudited)**	
	(a) Sales of goods and services		
	Sales of goods to associated parties	12,246	18,192
	Sales of goods to other related parties	51,019	64,192
	Sales of services to associated parties	5,059	8,446
	Sales of services to other related parties	1,603	2,447
		69,927	**93,277**
	(b) Purchases of goods and services		
	Purchases of goods to associated parties	143,723	169,757
	Purchases of goods to other related parties	8,901	6,898
	Purchases of services to associated parties	15,813	39,061
	Purchases of services to other related parties	43,565	50,864
		212,002	**266,580**

	(all amounts in thousands of U.S. dollars)	At June 30,	At December 31,
		2014	**2013**
(ii)	**Period-end balances**	**(Unaudited)**	
	(a) Arising from sales / purchases of goods / services		
	Receivables from associated parties	58,173	30,416
	Receivables from other related parties	44,496	30,537
	Payables to associated parties	(32,795)	(33,503)
	Payables to other related parties	(16,004)	(8,323)
		53,870	**19,127**

14 Fair Value

- **Measurement**

IFRS 13 requires for financial instruments that are measured at fair value, a disclosure of fair value measurements by level.

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

14 Fair Value (Cont.)

- **Measurement (Cont.)**

The following table presents the assets and liabilities that are measured at fair value as of June 30, 2014 and December 2013:

June 30, 2014	Level 1	Level 2	Level 3 (*)	Total
Assets				
Cash and cash equivalents	642,382	-	-	642,382
Other investments	1,042,382	685,023	1,813	1,729,218
Derivatives financial instruments	-	7,403	-	7,403
Available for sale assets	-	-	21,572	21,572
Total	**1,684,764**	**692,426**	**23,385**	**2,400,575**
Liabilities				
Derivatives financial instruments	-	4,065	-	4,065
Total	**-**	**4,065**	**-**	**4,065**

December 31, 2013	Level 1	Level 2	Level 3 (*)	Total
Assets				
Cash and cash equivalents	614,529	-	-	614,529
Other investments	866,382	360,948	2,498	1,229,828
Derivatives financial instruments	-	9,273	-	9,273
Available for sale assets	-	-	21,572	21,572
Total	**1,480,911**	**370,221**	**24,070**	**1,875,202**
Liabilities				
Derivatives financial instruments	-	8,268	-	8,268
Total	**-**	**8,268**	**-**	**8,268**

(*) Main balances included in this level correspond to Available for sale assets related to Tenaris's interest in the nationalized Venezuelan companies. For further detail regarding Available for sale assets, see Note 31 to the Company's audited Consolidated Financial Statements for the year ended December 31, 2013.

There were no transfers between Level 1 and 2 during the period.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by Tenaris is the current bid price. These instruments are included in Level 1 and comprise primarily corporate and sovereign debt securities.

The fair value of financial instruments that are not traded in an active market (such as certain debt securities, certificates of deposits with original maturity of more than three months, forward and interest rate derivative instruments) is determined by using valuation techniques which maximize the use of observable market data where available and rely as little as possible on entity specific estimates. If all significant inputs required to value an instrument are observable, the instrument is included in Level 2. Tenaris values its assets and liabilities included in this level using bid prices, interest rate curves, broker quotations, current exchange rates, forward rates and implied volatilities obtained from market contributors as of the valuation date.

If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3. Tenaris values its assets and liabilities in this level using observable market inputs and management assumptions which reflect the Company's best estimate on how market participants would price the asset or liability at measurement date.

- **Estimation**

Financial assets or liabilities classified as assets at fair value through profit or loss are measured under the framework established by the IASB accounting guidance for fair value measurements and disclosures.

14 Fair Value (Cont.)

- **Estimation (Cont.)**

The fair values of quoted investments are generally based on current bid prices. If the market for a financial asset is not active or no market is available, fair values are established using standard valuation techniques.

For the purpose of estimating the fair value of Cash and cash equivalents and Other Investments expiring in less than ninety days from the measurement date, the Company usually chooses to use the historical cost because the carrying amount of financial assets and liabilities with maturities of less than ninety days approximates to their fair value.

The fair value of all outstanding derivatives is determined using specific pricing models that include inputs that are observable in the market or can be derived from or corroborated by observable data. The fair value of forward foreign exchange contracts is calculated as the net present value of the estimated future cash flows in each currency, based on observable yield curves, converted into U.S. dollars at the spot rate of the valuation date.

Borrowings are comprised primarily of fixed rate debt and variable rate debt with a short term portion where interest has already been fixed, they are classified under other financial liabilities and measured at their carrying amount. Tenaris estimates that the fair value of its main financial liabilities is approximately 100.4% and 101.1% of its carrying amount including interests accrued as of June 30, 2014 and 2013, respectively. Tenaris estimates that a change of 100 basis points in the reference interest rates would have an estimated impact of approximately 0.3% and 0.2% in the fair value of borrowings as of June 30, 2014 and 2013, respectively. Fair values were calculated using standard valuation techniques for floating rate instruments and comparable market rates for discounting flows.

Edgardo Carlos
Chief Financial Officer

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