

Gerardo Varela  
Tenaris  
1-888 300 5432  
[www.tenaris.com](http://www.tenaris.com)

## **Tenaris Announces Settlement of Lawsuit with BHP Billiton Consortium**

**Luxembourg, December 30, 2003** - Tenaris S.A. (TS: NYSE, Buenos Aires, Mexico and TEN: MTA Italy) announced today that a full and final settlement has been reached in connection with the lawsuit brought against its Italian subsidiary, Dalmine SpA, by the consortium led by BHP Billiton Petroleum Ltd. (the "Consortium"). The lawsuit was brought by the Consortium in 1998 in the English Courts following the failure of an underwater pipeline built in 1994 in the Liverpool Bay. Dalmine, at the time a subsidiary of ILVA SpA, supplied pipes which were used by the Consortium in the construction of the pipeline. The Consortium claimed compensation of damages in the order of UK£216 million plus costs and interest as a result of leaks and defects in the pipeline. In May 2002 the trial court issued a judgment in favor of the Consortium, holding that Dalmine was liable for damages to the Consortium and in February 2003 the court of appeals dismissed an appeal in respect of this judgment, closing the dispute on the issue of liability.

The terms of the settlement concluded today provide that a total of UK£108 million, out of which UK£16.9 million has already been paid as interim damages and costs, shall be paid to the Consortium. The balance is to be paid in three equal annual installments of UK£30.4 million, with the first installment due on January 30, 2004 and the remaining two due on December 9, 2004 and 2005, respectively. Interest will accrue on the second and third installments at the rate of 100 basis points over Libor.

As a result of the settlement, Tenaris will record a loss, net of its US\$76.4 million provision, of approximately US\$76 million post-tax (approximately US\$108 million pre-tax). Because the pipe that was the subject of the litigation was manufactured and sold, and the tort alleged by the Consortium took place prior to the privatization of Dalmine in 1996, an arbitration proceeding against Fintecna SpA, an entity owned by the Italian government and successor to the government-owned seller, ILVA SpA, has been brought seeking to compel Fintecna to indemnify for amounts paid or payable to the Consortium. This arbitration proceeding is currently in progress and is expected to be concluded in the first half of 2004. Based on legal advice, Tenaris believes that the arbitration proceedings will be resolved in its favor and that Fintecna will be required to reimburse a substantial proportion of the amounts paid and payable to the Consortium. No assurances, however, can be given that the arbitration proceedings will, in fact, conclude in the first half of 2004 or that Fintecna will be required to reimburse any amounts paid or payable to the Consortium.



*Tenaris is a leading global manufacturer of seamless steel pipe products and provider of pipe handling, stocking and distribution services to the oil and gas, energy and mechanical industries and a leading regional supplier of welded steel pipes for gas pipelines in South America. Domiciled in Luxembourg, it has pipe manufacturing facilities in Argentina, Brazil, Canada, Italy, Japan, Mexico and Venezuela and a network of customer service centers present in over 20 countries worldwide.*