Tenaris

Press Release

Nigel Worsnop
Tenaris
1-888-300-5432
www.tenaris.com

Tenaris Announces 2005 Third Quarter Results and Interim Dividend

The financial and operational information contained in this press release is based on unaudited consolidated condensed interim financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and presented in U.S. dollars.

Luxembourg, November 8, 2005. - Tenaris S.A.(NYSE, Buenos Aires and Mexico: TS and MTA Italy: TEN) ("Tenaris") today announced its results for the quarter ended September 30, 2005 with comparison to its results for the quarter ended September 30, 2004.

Summary of 2005 Third Quarter Results

	Q3 2005	Q3 2004	Increase/(Decrease)
Net sales (US$ million)	1,640.4	1,007.2	63%
Operating income (US$ million)	475.2	201.9	135%
Net income (US$ million) [1]	350.9	148.8	136%
Shareholders' net income (US$ million)	318.9	141.6	125%
Earnings per ADS (US$)	2.70	1.20	125%
Earnings per share (US$)	0.270	0.120	125%
Av. number of shares (million)	1,180.5	1,180.5	
EBITDA[2] (US$ million)	528.1	250.4	111%
EBITDA margin (% of net sales)	32%	25%	

These third quarter results reflect the continuing strength in demand for our tubular products from the global oil and gas industry. Notwithstanding seasonally lower seamless pipe sales volumes, earnings per share showed a sequential increase over that recorded in the second quarter of 2005 and a 125% increase

[1] As required by IAS 1 (revised) as from January 1, 2005 the income for the period disclosed in the income statement does not show minority interest. Earnings per share continue to be calculated on the net income attributable solely to the equity holders of Tenaris.
[2] EBITDA equals operating income plus depreciation and amortization charges.

over the same period of 2004. Higher sales volumes in the Middle East and Africa region reflect the increase in exploration and production activity and our leading position in the region. Our consolidated EBITDA and operating margins and our seamless pipe gross margin all increased moderately over the level of the first two quarters as increases in seamless pipe selling prices offset the impact of cost increases. Free cash flow (net cash provided by operations less capital expenditures) was US$423.5 million and net debt decreased to US$314.0 million.

Payment of Interim Dividend

Tenaris's board of directors approved the payment of an interim dividend of US$0.127 per share (US$1.27 per ADS), or approximately US$150 million, on November 16, 2005, with an ex-dividend date of November 11.

Market Background and Outlook

Global demand for seamless pipes remains strong led by higher drilling activity in the oil and gas industry. The international count of active drilling rigs, as published by Baker Hughes, averaged 911 during the third quarter of 2005, an increase of 8% compared to the same quarter of the previous year. The corresponding percentage rig count increases in the Canadian and U.S. markets, which are more sensitive to natural gas prices, were 53% and 16% respectively.

Strong demand for our seamless pipe products from the energy sector, particularly for the high-end pipes in which we increasingly specialize, resulted in significant increases in the average selling price for our seamless pipe products in the first two quarters of the year and a further increase in this third quarter. This has enabled us to record strong sales growth and improved operating margins in the year to date as selling price increases have more than offset the impact of higher raw material, energy and labor costs. We expect market conditions, particularly demand for our products and services from oil and gas customers, to remain favorable in the fourth quarter and through the first half of 2006, and that any further cost increases will be offset by higher selling prices.

Demand for our welded pipe products has been benefiting from gas pipeline projects in Brazil, where there are a number of gas pipeline projects under development to build up the country's gas pipeline infrastructure, and in Argentina, where there are projects to increase capacity in and extend the existing gas pipeline infrastructure. Sales and operating margins on welded pipes may be affected in the coming quarters by a slowdown in the implementation of these projects.

Ternium Exchange

On September 9, Tenaris exchanged its 12.6% indirect equity interest in Sidor and its participation in Ylopa for an equity interest in Ternium S.A. Ternium is a Luxembourg-registered company, which was formed to consolidate the Techint Group's holdings in flat and long steel producers Hylsamex (Mexico), Siderar (Argentina) and Sidor (Venezuela). On October 27, Usiminas, a Brazilian steel producer, exchanged its equity interests in Siderar and Sidor for an equity interest in Ternium. Following this transaction, the equity interest of Tenaris in Ternium stands at 15.0% and Ternium owns (i) together with Siderar 99.7% of Hylsamex, (ii) 56% of Siderar and (iii) together with Hylsamex and Siderar 58.5% of Sidor. In addition, Tenaris has the right to receive additional shares in Ternium to the value of US$39.9 million in the event of Ternium making an initial public offering and certain other events, which amount corresponds to Tenaris's share of Sidor's excess cash distribution during the second and third quarters of 2005 and is recorded as a convertible loan. Tenaris has recorded the value of its equity investment in Ternium at the carrying value of its prior equity investment in Sidor (US$229.7 million).

Analysis of 2005 Third Quarter Results

(metric tons)

Sales volume	Q3 2005	Q3 2004	Increase/(Decrease)
North America	198,000	179,000	11%
Europe	140,000	154,000	(9%)
Middle East & Africa	149,000	113,000	32%
Far East & Oceania	92,000	98,000	(6%)
South America	104,000	93,000	12%
Total seamless pipes	**682,000**	**638,000**	**7%**
Welded pipes	124,000	112,000	11%
Total steel pipes	**806,000**	**750,000**	**7%**

Sales volume of seamless pipes increased by 7% to 682,000 tons in the third quarter of 2005 from 638,000 tons in the same period of 2004. Sales volume increased significantly in the Middle East and Africa region where there has been a significant increase in oil and gas exploration and production activity. Sales volume also increased in the North and South American regions reflecting higher demand from oil and gas customers particularly in Canada and Venezuela. Sales volume decreased in Europe and Far East and Oceania reflecting a decline in sales to industrial sector customers.

Sales volumes of welded pipes increased by 11% to 124,000 tons in the third quarter of 2005 from 112,000 tons in the same period of 2004. The increase in sales was due to higher demand for welded pipes for gas pipeline projects in Brazil.

(US$ million)

Net sales	Q3 2005	Q3 2004	Increase/(Decrease)
Seamless pipes	1,253.9	794.3	58%
Welded pipes	221.0	114.2	94%
Energy	106.4	80.6	32%
Others	59.1	18.1	227%
Total	**1,640.4**	**1,007.2**	**63%**

Net sales in the quarter ended September 30, 2005 increased 63% to US$1,640.4 million, compared to US$1,007.2 million in the corresponding quarter of 2004. Net sales of seamless pipes rose by 58%, due to higher average selling prices and higher sales volumes. Net sales of welded pipes, which included US$18 million in sales of metal structures made by our Brazilian welded pipe subsidiary in the third quarter of 2005 and US$18 million of such sales in the third quarter of 2004, rose by 94% due to higher selling prices and sales volume. Net sales of energy rose by 32% due to higher sales of natural gas. Net sales of other goods and services increased 227% due to sales of pre-reduced hot briquetted iron from our plant in Venezuela, which we acquired in July 2004 and was not in operation during the third quarter of 2004, and higher sales of sucker rods used in oil extraction.

(percentage of net sales)

Cost of sales	Q3 2005	Q3 2004
Seamless pipes	53%	60%
Welded pipes	69%	67%
Energy	100%	97%
Others	63%	59%
Total	**59%**	**64%**

Cost of sales, expressed as a percentage of net sales, decreased to 59% in the third quarter of 2005, compared to 64% in the same period of 2004 reflecting a higher gross margin on our sales of seamless pipe products. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 53% in the third quarter of 2005 compared to 60% in the same period of 2004 as higher average selling prices offset increased raw material, energy and labor costs.

Selling, general and administrative expenses, or SG&A, declined as a percentage of net sales to 12.6% in the quarter ended September 30, 2005 compared to 16.8% in the corresponding quarter of 2004 but rose in absolute terms to US$205.9 million compared to US$168.9 million.

Net financial expenses rose to US$5.1 million in the third quarter of 2005, compared to net financial expenses of US$3.1 million in the same period of 2004. Net interest expenses decreased to US$3.7 million compared to US$9.7 million, reflecting a lower net debt position.

Equity in earnings of associated companies generated a gain of US$26.5 million in the third quarter of 2005, compared to a gain of US$17.3 million in the third quarter of 2004. These gains were derived mainly from our equity investment in Sidor. On September 9, we exchanged our equity investment in Sidor for an equity investment in Ternium. In these third quarter results, we recognized gains derived from our investment in Sidor as if that investment had been held for the entire period. Going forward, we will recognize the proportion of gains or losses corresponding to our equity interest in Ternium.

Income tax charges rose to US$145.7 million in the third quarter of 2005, equivalent to 31% of income before equity in earnings of associated companies and income tax, compared to US$67.2 million, or 34% of income before equity in earnings of associated companies and income tax, in the corresponding quarter of 2004.

Income attributable to minority interest rose to US$32.0 million in the third quarter of 2005, compared to US$7.2 million in the corresponding quarter of 2004 reflecting an improvement in operating and financial results at our Confab and NKKTubes subsidiaries.

Cash Flow and Liquidity

Net cash provided by operations during the third quarter of 2005 was US$486.3 million (US$932.0 million during the nine months). Working capital decreased by US$32.7 million during the third quarter but has increased by US$301.4 million in the year to date.

Net cash used in capital expenditures during the third quarter was US$62.8 million.

In the year to date, total financial debt has decreased by US$232.9 million to US$1,026.4 million at September 30, 2005 from US$1,259.3 million at December 31, 2004. Net financial debt decreased by US$514.1 million to US$314.0 million at September 30, 2005 during the same period.

Analysis of Nine Month Results

Results for the nine months period ended September 30, 2005 with comparison to the results for the corresponding period of 2004.

Net income attributable to equity holders in the company during the first nine months of 2005 was US$896.6 million, or US$0.760 per share (US$7.60 per ADS), or 19% of net sales, which compares with net income attributable to equity holders in the company during the first nine months of 2004 of US$317.3 million, or US$0.269 per share (US$2.69 per ADS), or 11% of net sales. Operating income was US$1,371.5 million, or 28% of net sales, compared to US$458.1 million, or 16% of net sales. Operating income plus depreciation and amortization was US$1,528.2 million, or 32% of net sales, compared to US$608.5 million, or 21% of net sales.

(metric tons)

Sales volume	9M 2005	9M 2004	Increase/(Decrease)
North America	651,000	531,000	23%
Europe	484,000	493,000	(2%)
Middle East & Africa	378,000	320,000	18%
Far East & Oceania	292,000	315,000	(7%)
South America	328,000	281,000	17%
Total seamless pipes	**2,132,000**	**1,940,000**	**10%**
Welded pipes	392,000	267,000	47%
Total steel pipes	**2,523,000**	**2,206,000**	**14%**

(US$ million)

Net sales	9M 2005	9M 2004	Increase/(Decrease)
Seamless pipes	3,667.0	2,267.1	62%
Welded pipes	636.8	270.4	136%
Energy	362.6	277.3	31%
Others	171.1	48.6	252%
Total	**4,837.6**	**2,863.4**	**69%**

Net sales in the nine months ended September 30, 2005 increased 69% to US$4,837.6 million, compared to US$2,863.4 million in the corresponding period of 2004. Net sales of seamless pipes rose by 62% due to higher average selling prices and higher sales volume reflecting strong market demand. Net sales of welded pipes, which included US$47 million in sales of metal structures made by our Brazilian welded pipe subsidiary in the first nine months of 2005 and US$51 million of such sales in the first nine months of 2004, increased 136% due to higher sales volumes reflecting increased demand from gas pipeline projects in Brazil and Argentina and higher average selling prices. Net sales of electricity and natural gas by Dalmine Energie increased by 31% reflecting higher sales of natural gas and the higher average value of the Euro against the US dollar. Net sales of other goods and services increased 252% due to sales of pre-reduced hot briquetted iron from the plant in Venezuela that we acquired in July 2004 and higher sales of sucker rods used in oil extraction.

(percentage of net sales)

Cost of sales	9M 2005	9M 2004
Seamless pipes	54%	64%
Welded pipes	67%	71%
Energy	98%	97%
Others	61%	59%
Total	**59%**	**68%**

Cost of sales, expressed as a percentage of net sales, decreased to 59% in the first nine months of 2005, compared to 68% in the same period of 2004 due to higher gross margins on our sale of seamless and welded pipe products. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 54% in the first nine months of 2005 compared to 64% in the same period of 2004 as higher average selling prices offset increased raw material, energy and labor costs. Cost of sales for welded pipe products, expressed as a percentage of net sales, decreased to 67% in the first nine months of 2005, compared to 71% in the same period of 2004, as higher average selling prices and volume-related efficiencies offset increased raw material prices.

Selling, general and administrative expenses, or SG&A, declined as a percentage of net sales to 12.5% in the nine months ended September 30, 2005 compared to 16.6% in the corresponding period of 2004 but rose in absolute terms to US$603.5 million compared to US$476.3 million.

Net financial expenses totalled US$89.6 million in the first nine months of 2005, compared to net financial expenses of US$22.5 million in the same period of 2004. Net interest expenses increased to US$24.7 million compared to US$22.0 million, reflecting increases in interest rates. Tenaris recorded a loss of US$70.2 million on net foreign exchange transactions and the fair value of derivative instruments in the first nine months of 2005, compared to a loss of US$6.4 million in the first nine months of 2004.

Equity in earnings of associated companies generated a gain of US$94.9 million in the first nine months of 2005, compared to a gain of US$57.0 million in the first nine months of 2004. These gains were derived mainly from our equity investment in Sidor. During the third quarter we exchanged our equity investment in Sidor for an equity investment in Ternium.

Income tax charges of US$404.4 million were recorded during the first nine months of 2005, equivalent to 32% of income before equity in earnings of associated companies and income tax, compared to income tax charges of US$167.2 million, equivalent to 38% of income before equity in earnings of associated companies and income tax, during the corresponding period of 2004.

Income attributable to minority interest rose to US$75.9 million in the first nine months of 2005, compared to US$8.2 million in the first nine months of 2004 reflecting an improvement in operating and financial results at our Confab and NKKTubes subsidiaries.

Consolidated condensed interim income statement

(all amounts in thousands of U.S. dollars, unless otherwise stated)	Three-month period ended September 30,		Nine-month period ended September 30,	
	2005	2004	2005	2004
	(Unaudited)			
Net sales	1,640,385	1,007,157	4,837,623	2,863,352
Cost of sales	(962,929)	(641,293)	(2,871,831)	(1,939,405)
Gross profit	677,456	365,864	1,965,792	923,947
Selling, general and administrative expenses	(205,937)	(168,922)	(603,530)	(476,287)
Other operating income (expense), net	3,696	4,917	9,265	10,482
Operating income	475,215	201,859	1,371,527	458,142
Financial income (expense), net	(5,141)	(3,132)	(89,591)	(22,455)
Income before equity in earnings (losses) of associated companies and income tax	470,074	198,727	1,281,936	435,687
Equity in earnings of associated companies	26,502	17,300	94,944	56,969
Income before income tax	496,576	216,027	1,376,880	492,656
Income tax	(145,678)	(67,204)	(404,392)	(167,184)
Income for the period (1)	350,898	148,823	972,488	325,472
Attributable to (1):				
Equity holders of the Company	318,897	141,599	896,587	317,281
Minority interest	32,001	7,224	75,901	8,191
	350,898	148,823	972,488	325,472

(1) Prior to December 31, 2004 minority interest was shown in the income statement before net income, as required by International Financial Reporting Standards in effect. For periods beginning on or after January 1, 2005, IAS 1 (revised) requires that income for the period as shown on the income statement not exclude minority interest. Earnings per share, however, continue to be calculated on the basis of net income attributable solely to the equity holders of the Company

Consolidated condensed interim balance sheet

(all amounts in thousands of U.S. dollars)	At September 30, 2005 (Unaudited)		At December 31, 2004	
ASSETS				
Non-current assets				
Property, plant and equipment, net	2,222,228		2,164,601	
Intangible assets, net	160,036		49,211	
Investments in associated companies	233,177		99,451	
Other investments	25,251		24,395	
Deferred tax assets	169,560		161,173	
Receivables	75,766	2,886,018	151,365	2,650,196
Current assets				
Inventories	1,445,100		1,269,470	
Receivables and prepayments	160,961		279,450	
Current tax assets	112,188		94,996	
Trade receivables	1,163,876		936,931	
Other investments	144,659		119,666	
Cash and cash equivalents	567,773	3,594,557	311,579	3,012,092
Total assets		**6,480,575**		**5,662,288**
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	1,180,537		1,180,537	
Legal reserves	118,054		118,054	
Share premium	609,733		609,733	
Other distributable reserve			82	
Currency translation adjustments	(47,477)		(30,020)	
Retained earnings	1,425,471	3,286,318	617,538	2,495,924
Minority interest		252,354		165,271
Total equity		3,538,672		2,661,195
LIABILITIES				
Non-current liabilities				
Borrowings	642,434		420,751	
Deferred tax liabilities	350,474		371,975	
Other liabilities	160,454		172,442	
Provisions	45,042		31,776	
Trade payables	3,874	1,202,278	4,303	1,001,247

(all amounts in thousands of U.S. dollars)	At September 30, 2005		At December 31, 2004	
Current liabilities				
Borrowings	383,971		838,591	
Current tax liabilities	357,279		222,735	
Other liabilities	183,736		194,945	
Provisions	28,947		42,636	
Customers advances	171,039		108,847	
Trade payables	614,653	1,739,625	592,092	1,999,846
Total liabilities		**2,941,903**		**3,001,093**
Total equity and liabilities		**6,480,575**		**5,662,288**

Consolidated condensed interim cash flow statement

(all amounts in thousands of U.S. dollars)	Three-month period ended September 30,		Nine-month period ended September 30,	
	2005	**2004**	**2005**	**2004**
	(Unaudited)		**(Unaudited)**	
Cash flows from operating activities				
Income for the period	350,898	148,823	972,488	325,472
Adjustments for:				
Depreciation and amortization	52,911	48,540	156,654	150,369
Income tax accruals less payments	68,669	27,826	104,425	35,936
Equity in earnings of associated companies	(26,502)	(17,300)	(94,944)	(56,969)
Interest accruals less payments, net	(3,204)	4,137	3,006	7,130
Changes in provisions	2,213	7,972	(423)	7,010
Proceeds from Fintecna arbitration award net of BHP settlement	-	-	66,594	-
Changes in working capital	32,730	(100,907)	(301,376)	(411,928)
Other, including currency translation adjustment	8,570	10,093	25,549	(10,736)
Net cash provided by operating activities	**486,285**	**129,184**	**931,973**	**46,284**
Cash flows from investing activities				
Capital expenditures	(62,794)	(39,695)	(194,428)	(122,478)
Capital increase and acquisitions of subsidiaries and associated companies	(72)	(97,367)	(48,002)	(97,555)
Convertible loan to associated companies	(39,944)	-	(39,944)	-
Cost of disposition of property, plant and equipment and intangible assets	2,523	1,323	5,413	10,292
Dividends and distributions received from associated companies	18,009	23,793	59,127	40,595
Changes in restricted bank deposits	426	-	10,060	-
Investments in short term securities	(144,659)	-	(144,659)	-
Reimbursement from trust funds	-	-	119,666	-
Net cash used in investing activities	**(226,511)**	**(111,946)**	**(232,767)**	**(169,146)**
Cash flows from financing activities				
Dividends paid	-	-	(199,511)	(135,053)
Dividends paid to minority interest in subsidiaries	(5,194)	-	(7,924)	(23)

(all amounts in thousands of U.S. dollars)	Three-month period ended September 30,		Nine-month period ended September 30,	
Proceeds from borrowings	130,167	114,721	775,930	456,192
Repayments of borrowings	(284,759)	(111,343)	(1,019,006)	(163,063)
Net cash (used in)provided by financing activities	**(159,786)**	**3,378**	**(450,511)**	**158,053**
Increase in cash and cash equivalents	**99,988**	**20,616**	**248,695**	**35,191**
Movement in cash and cash equivalents				
At beginning of the period	430,284	255,305	293,824	238,030
Effect of exchange rate changes	1,190	284	(11,057)	2,984
Increase in cash and cash equivalents	99,988	20,616	248,695	35,191
At September 30,	**531,462**	**276,205**	**531,462**	**276,205**

Cash and cash equivalents	**At September, 30**		**At September, 30**	
	2005	**2004**	**2005**	**2004**
Cash and bank deposits	567,773	287,424	567,773	287,424
Bank overdrafts	(32,871)	(11,219)	(32,871)	(11,219)
Restricted bank deposits	(3,440)	-	(3,440)	-
	531,462	276,205	531,462	276,205