Tenaris

Press Release

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

Tenaris Announces 2006 Third Quarter Results

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

Luxembourg, November 8, 2006. - Tenaris S.A.(NYSE, Buenos Aires and Mexico: TS and MTA Italy: TEN) ("Tenaris") today announced its results for the third quarter ended September 30, 2006 with comparison to its results for the third quarter ended September 30, 2005.

Summary of 2006 Third Quarter Results

(Comparison with second quarter of 2006 and third quarter of 2005)

	Q3 2006	Q2 2006		Q3 2005	
Net sales (US$ million)	1,922.5	1,962.3	(2%)	1,640.4	17%
Operating income (US$ million)	695.8	692.8	0%	475.2	46%
Net income (US$ million) [1]	510.0	495.8	3%	350.9	45%
Shareholders' net income (US$ million)	479.1	471.8	2%	318.9	50%
Earnings per ADS (US$)[2]	0.81	0.80	2%	0.54	50%
Earnings per share (US$)	0.41	0.40	2%	0.27	50%
EBITDA (US$ million)	752.0	747.9	1%	528.1	42%
EBITDA margin (% of net sales)	39%	38%		32%	

Global demand from the oil and gas industry for our OCTG and line pipe products remained strong throughout the quarter led by growing demand for TenarisBlue® products in the Middle East and Africa. Oil and gas drilling activity and demand for our products and services continue to expand in this region which holds the majority of the world's known reserves. Earnings per share rose 50% year on

[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] As of April 26, 2006, the ratio of ADSs to ordinary shares was changed from 1:10 to 1:2. Earnings per ADS are stated using the new ratio.

year and matched that of the second quarter notwithstanding annual maintenance shutdowns in Europe and Canada coinciding with the holiday season. Free cash flow (net cash provided by operations less capital expenditures) was US$465.1 million and our net cash position increased to US$554.5 million at September 30 just prior to the payment of the Maverick acquisition.

Market Background and Outlook

Oil and gas companies continue to increase their exploration and production spending in response to sustained high oil and gas prices, declining production at mature fields and projected increases in global demand for oil and gas. This is resulting in increased drilling activity and demand for our seamless OCTG products in most markets worldwide. The Canadian and US markets are more sensitive than other markets to natural gas prices and in Canada there was a slowdown in natural gas drilling activity, particularly in less productive shallow wells, during the latter half of the quarter following declines in North American natural gas prices.

The international count of active drilling rigs, as published by Baker Hughes excluding, for comparative purposes, the rig count in Iran and Sudan, averaged 941 during the third quarter of 2006, an increase of 10% compared to the same quarter of the previous year and an increase of 3% compared to the second quarter of 2006. The corresponding percentage year on year quarterly rig count in the Canadian markets showed a decline of 1% and that of the US market showed an increase of 20%.

Favorable market conditions for our products and relatively stable raw material and energy costs have allowed us to record year on year sales growth and improvements in gross margins for our seamless pipe products in the year to date. Raw material and energy costs rose slightly during the third quarter and are expected to rise again in the fourth quarter but we expect to maintain a similar level of gross margin on our seamless pipe products during the fourth quarter.

Demand for our welded pipe products, which has been weak during the past three quarters following gas pipeline project delays in Brazil and Argentina, is expected to recover in the fourth quarter and rebound strongly in 2007 following the receipt of orders for the 1,000 km GASCAV phase of the GASENE project in Brazil and the 1,100 km loops expansion project for the TGN and TGS pipeline networks in Argentina. Deliveries for these two projects will take place throughout 2007.

Acquisition of Maverick

On October 5, 2006, we acquired Maverick Tube Corporation, a leading North American producer of welded OCTG, line pipe and coiled tubing for use in oil and natural gas wells with pipe manufacturing facilities in the United States, Canada and Colombia. The value of the transaction was US$3,185 million including Maverick's net debt. Prior to our acquisition, Maverick, for the first six months of 2006, reported shipments of 735,000 short tons, net revenues of US$1,027.0 million and net income of

US$124.6 million under US GAAP. Tenaris will consolidate Maverick's balance sheet and results of operations in its consolidated financial statements beginning on the fourth quarter of 2006.

Analysis of 2006 Third Quarter Results

(metric tons)

Sales volume	Q3 2006	Q3 2005	Increase/(Decrease)
North America	163,000	198,000	(18%)
Europe	159,000	140,000	14%
Middle East & Africa	202,000	149,000	36%
Far East & Oceania	80,000	92,000	(13%)
South America	105,000	104,000	1%
Total seamless pipes	**709,000**	**682,000**	**4%**
Welded pipes	69,000	124,000	(44%)
Total steel pipes	**778,000**	**806,000**	**(3%)**

Sales volume of seamless pipes increased by 4% to 709,000 tons in the third quarter of 2006 from 682,000 tons in the same period of 2005. We recorded a substantial increase in sales volume in the Middle East and Africa reflecting higher oil and gas drilling activity and strong demand for our OCTG products in the Middle East and North Africa. Sales in North America were affected primarily by lower drilling activity in Mexico and lower sales of line pipe for Gulf of Mexico deepwater and process and power plant customers in the USA. Sales in Europe increased due to higher sales of line pipe products to process and power plant customers.

Sales volumes of welded pipes decreased by 44% to 69,000 tons in the third quarter of 2006 from 124,000 tons in the same period of 2005. The decrease in sales was due to substantially reduced demand for welded pipes for gas pipeline projects in Brazil and Argentina.

(US$ million)

Net sales	Q3 2006	Q3 2005	Increase/(Decrease)
Seamless pipes	1,579.6	1,253.9	26%
Welded pipes*	117.6	221.0	(47%)
Energy	119.9	106.4	13%
Others	105.4	59.1	78%
Total	**1,922.5**	**1,640.4**	**17%**

* Includes other metallic products produced by Confab, our Brazilian welded pipe subsidiary

Net sales in the quarter ended September 30, 2006 increased 17% to US$1,922.5 million, compared to US$1,640.4 million in the corresponding quarter of 2005. Net sales of seamless pipes rose by 26% as the average selling price for our seamless pipe products rose 21% compared to the corresponding quarter of 2005, reflecting increased sales of premium OCTG products and higher selling prices for most of our products. Net sales of welded pipes, which included US$23 million in sales of other metallic products in the third quarter of 2006 and US$18 million of such sales in the third quarter of 2005, fell by 47% due primarily to the decline in sales volume. Net sales of energy rose by 13% due to higher Italian gas and electric energy prices and the revaluation of the euro against the US dollar. Net sales of other goods and services increased 78% due primarily to higher sales of pre-reduced hot briquetted iron from our plant in Venezuela.

(percentage of net sales)

Cost of sales	Q3 2006	Q3 2005
Seamless pipes	45%	53%
Welded pipes	75%	69%
Energy	98%	100%
Others	65%	63%
Total	**51%**	**59%**

Cost of sales, expressed as a percentage of net sales, decreased to 51% in the third quarter of 2006, compared to 59% in the same period of 2005 reflecting higher gross margins on our sales of seamless pipe products and a higher proportion of seamless pipe sales in total sales. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 45% in the third quarter of 2006 compared to 53% in the same period of 2005 reflecting product repositioning efforts towards higher margin products and increased selling prices for our products. Cost of sales for welded pipe products, expressed as a percentage of net sales, increased to 75% in the third quarter of 2006 compared to 69% in the same period of 2005 reflecting the impact of an increased proportion of lower-margin export sales in the sales mix.

Selling, general and administrative expenses, or SG&A, increased slightly as a percentage of net sales to 12.8% in the quarter ended September 30, 2006 compared to 12.6% in the corresponding quarter of 2005 due primarily to higher labor costs and higher commissions, freight and other selling expenses reflecting higher export sales of welded pipes.

Net financial expense was US$3.7 million in the third quarter of 2006, compared to US$5.1 million in the same period of 2005. A loss of US$5.7 million on net foreign exchange transactions and changes in fair value of derivative instruments was partially offset by net interest income of US$2.2 million.

Equity in earnings of associated companies generated a gain of US$29.7 million in the third quarter of 2006, compared to a gain of US$26.5 million in the third quarter of 2005. The gain in the third quarter of 2006 was derived mainly from our 11.5% equity shareholding in Ternium and the gain in the third quarter of 2005 was derived mainly from our prior investment in Sidor.

Income tax charges totalled US$211.7 million in the third quarter of 2006, equivalent to 31% of income before equity in earnings of associated companies and income tax and included the benefit of a favorable tax judgment in Mexico in the amount of US$5.6 million.

Income attributable to minority interest amounted to US$30.9 million in the third quarter of 2006, compared to US$32.0 million in the corresponding quarter of 2005 as an improvement in operating and financial results at our NKKTubes and Matesi subsidiaries largely offset weaker operating and financial results at our Confab subsidiary.

Cash Flow and Liquidity

Net cash provided by operating activities during the third quarter of 2006 was US$598.1 million. Working capital increased by US$31.1 million during the third quarter mainly due to an increase in inventories which was partially compensated by an increase in customer advances. Inventories increased by US$118.0 million primarily reflecting raw material cost increases and an increase in inventories of finished goods at the end of the period. Customer advances increased by US$83.6 million primarily reflecting the increase in our welded pipe backlog.

Capital expenditures increased to US$133.0 million for the third quarter of 2006 compared to US$62.8 million in the third quarter of 2005 reflecting the ongoing implementation of our program to increase capacity for high-end products.

Our net cash position (cash and cash equivalents and other current investments less borrowings) increased by US$472.3 million during the third quarter and amounted to US$554.5 million at September 30, 2006 compared to net debt of US$183.0 million at December 31, 2005. Total financial debt was US$875.3 million at September 30, 2006 compared to US$1,010.3 million at December 31, 2005. On October 5, 2006 we borrowed an additional US$2.68 billion in connection with our Maverick acquisition.

Analysis of 2006 Nine Months Results

Net income attributable to equity holders of the Company during the first nine months of 2006 was US$1,370.6 million, or US$1.16 per share (US$2.32 per ADS), or 24% of net sales, which compares with net income attributable to equity holders of the Company during the first nine months of 2005 of US$896.6 million, or US$0.76 per share (US$1.52 per ADS), or 19% of net sales. Operating income was US$1,989.5 million, or 35% of net sales, compared to US$1,371.5 million, or 28% of net sales. Operating income plus depreciation and amortization was US$2,155.5 million, or 38% of net sales, compared to US$1,528.2 million, or 32% of net sales.

(metric tons)

Sales volume	9M 2006	9M 2005	Increase/(Decrease)
North America	549,000	651,000	(16%)
Europe	531,000	484,000	10%
Middle East & Africa	561,000	378,000	48%
Far East & Oceania	242,000	292,000	(17%)
South America	305,000	328,000	(7%)
Total seamless pipes	**2,188,000**	**2,132,000**	**3%**
Welded pipes	217,000	392,000	(45%)
Total steel pipes	**2,405,000**	**2,523,000**	**(5%)**

(US$ million)

Net sales	9M 2006	9M 2005	Increase/(Decrease)
Seamless pipes	4,657.5	3,667.0	27%
Welded pipes*	362.5	636.8	(43%)
Energy	403.7	362.6	11%
Others	244.2	171.1	43%
Total	**5,667.9**	**4,837.6**	**17%**

* Includes other metallic products produced by Confab, our Brazilian welded pipe subsidiary

Net sales in the nine months ended September 30, 2006 increased 17% to US$5,667.9 million, compared to US$4,837.6 million in the corresponding nine months of 2005. Net sales of seamless pipes rose by 27%, due primarily to higher sales of high-end products and higher selling prices for all products. Net sales of welded pipes, which included US$47 million of other metallic products in the first nine months of 2006 and US$47 million of such sales in the first nine months of 2005, fell by 43% due to the decline in sales for gas pipeline projects in Brazil and Argentina. Net sales of energy rose by 11% due to higher Italian gas and electric energy prices. Net sales of other goods and services increased 43% due to higher sales of pre-reduced hot briquetted iron from our plant in Venezuela.

(percentage of net sales)

Cost of sales	9M 2006	9M 2005
Seamless pipes	46%	54%
Welded pipes	72%	67%
Energy	97%	98%
Others	69%	61%
Total	**52%**	**59%**

Cost of sales, expressed as a percentage of net sales, decreased to 52% in the first nine months of 2006, compared to 59% in the same period of 2005 reflecting higher gross margins on our sales of seamless pipe products and a higher proportion of seamless pipe sales in total sales. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 46% in the first nine months of 2006 compared to 54% in the same period of 2005 reflecting a higher proportion of higher-margin, high-end products in the product mix and higher selling prices for our products. Cost of sales for welded pipe products, expressed as a percentage of net sales, increased to 72% in the first nine months of 2006 compared to 67% in the same period of 2005 reflecting the impact of an increased proportion of lower-margin export sales in the sales mix.

Selling, general and administrative expenses, or SG&A, remained stable as a percentage of net sales at 12.6% in the nine months ended September 30, 2006 compared to 12.5% in the corresponding nine months of 2005.

Net financial income was US$10.9 million in the first nine months of 2006, compared to a net financial expense of US$89.6 million in the same period of 2005. Net interest income was US$1.5 million in the first nine months of 2006 compared to a net interest expense of US$24.7 million in the same period of 2005, primarily reflecting changes in the net debt position. A gain of US$9.3 million on net foreign exchange transactions and changes in fair value of derivative instruments was recorded in the first nine months of 2006, compared to a loss of US$70.2 million during the first nine months of 2005. These gains and losses on net foreign exchange transactions and changes in fair value of derivative instruments are to a large extent offset by changes to our net equity position and arise due to the fact that many of our subsidiaries prepare their financial statements in currencies other than the US dollar in accordance with IFRS.

Equity in earnings of associated companies generated a gain of US$76.7 million in the first nine months of 2006, compared to a gain of US$94.9 million in the first nine months of 2005. The gain in the first nine months of 2006 was derived mainly from our 11.5% equity shareholding in Ternium and the gain in the first nine months of 2005 was derived mainly from our prior investment in Sidor.

Income tax charges totalled US$629.7 million in the first nine months of 2006, equivalent to 31% of income before equity in earnings of associated companies and income tax.

Income attributable to minority interest was US$76.8 million in the first nine months of 2006, compared to US$75.9 million in the first nine months of 2005 as better operating and financial results at our NKKTubes subsidiary were largely offset by weaker operating and financial results at our Confab subsidiary.

Some of the statements contained in this press release are "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. These risks include but are not limited to risks arising from uncertainties as to future oil and gas prices and their impact on investment programs by oil and gas companies.

Consolidated condensed interim income statement

(all amounts in thousands of U.S. dollars)	Three-month period ended September 30, 2006	Three-month period ended September 30, 2005	Nine-month period ended September 30, 2006	Nine-month period ended September 30, 2005
	(Unaudited)			
Net sales	1,922,491	1,640,385	5,667,908	4,837,623
Cost of sales	(982,487)	(962,929)	(2,974,015)	(2,871,831)
Gross profit	940,004	677,456	2,693,893	1,965,792
Selling, general and administrative expenses	(246,506)	(205,937)	(712,882)	(603,530)
Other operating income, net	2,274	3,696	8,465	9,265
Operating income	695,772	475,215	1,989,476	1,371,527
Financial income (expenses), net	(3,743)	(5,141)	10,918	(89,591)
Income before equity in earnings of associated companies and income tax	692,029	470,074	2,000,394	1,281,936
Equity in earnings of associated companies	29,653	26,502	76,725	94,944
Income before income tax	721,682	496,576	2,077,119	1,376,880
Income tax	(211,726)	(145,678)	(629,709)	(404,392)
Income for the period	509,956	350,898	1,447,410	972,488
Attributable to:				
Equity holders of the Company	479,105	318,897	1,370,564	896,587
Minority interest	30,851	32,001	76,846	75,901
	509,956	350,898	1,447,410	972,488

Consolidated condensed interim balance sheet

(all amounts in thousands of U.S. dollars)	At September 30, 2006		At December 31, 2005	
	(Unaudited)			
ASSETS				
Non-current assets				
Property, plant and equipment, net	2,403,926		2,230,038	
Intangible assets, net	165,673		159,099	
Investments in associated companies	392,011		257,234	
Other investments	27,473		25,647	
Deferred tax assets	248,032		194,874	
Receivables	39,310	3,276,425	65,852	2,932,744
Current assets				
Inventories	1,668,723		1,376,113	
Receivables and prepayments	192,433		143,282	
Current tax assets	144,307		102,455	
Trade receivables	1,438,470		1,324,171	
Other investments	134,651		119,907	
Cash and cash equivalents	1,295,184	4,873,768	707,356	3,773,284
Total assets		8,150,193		6,706,028
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	
Currency translation adjustments	(29,371)		(59,743)	
Other reserves	28,835		2,718	
Retained earnings	2,822,834	4,730,622	1,656,503	3,507,802
Minority interest		328,255		268,071
Total equity		5,058,877		3,775,873
LIABILITIES				
Non-current liabilities				
Borrowings	554,094		678,112	
Deferred tax liabilities	361,974		353,395	
Other liabilities	163,582		154,378	
Provisions	80,079		43,964	
Trade payables	521	1,160,250	1,205	1,231,054
Current liabilities				
Borrowings	321,217		332,180	
Current tax liabilities	463,448		452,534	
Other liabilities	187,524		138,875	
Provisions	9,037		36,945	
Customer advances	180,381		113,243	
Trade payables	769,459	1,931,066	625,324	1,699,101
Total liabilities		3,091,316		2,930,155
Total equity and liabilities		8,150,193		6,706,028

Consolidated condensed interim cash flow statement

(all amounts in thousands of U.S. dollars)	Three-month period ended September 30, 2006	Three-month period ended September 30, 2005	Nine-month period ended September 30, 2006	Nine-month period ended September 30, 2005
	(Unaudited)			
Cash flows from operating activities				
Income for the period	509,956	350,898	1,447,410	972,488
Adjustments for:				
Depreciation and amortization	56,218	52,911	166,008	156,654
Income tax accruals less payments	92,107	68,669	1,947	104,425
Equity in earnings of associated companies	(29,653)	(26,502)	(76,725)	(94,944)
Interest accruals less payments, net	2,920	(3,204)	1,456	3,006
Income from disposal of investment	-	-	(6,933)	-
Changes in provisions	2,676	2,213	8,207	(423)
Proceeds from Fintecna arbitration award net of BHP settlement	-	-	-	66,594
Changes in working capital	(31,113)	32,730	(250,654)	(301,376)
Other, including currency translation adjustment	(5,025)	8,570	21,447	25,549
Net cash provided by operating activities	598,086	486,285	1,312,163	931,973
Cash flows from investing activities				
Capital expenditures	(132,976)	(62,794)	(302,077)	(194,428)
Acquisitions of subsidiaries	(718)	(72)	(39,828)	(48,002)
Convertible loan to associated companies	-	(39,944)	-	(39,944)
Proceeds from disposal of property, plant and equipment and intangible assets	13,180	2,523	16,568	5,413
Dividends and distributions received from associated companies	-	18,009	-	59,127
Changes in restricted bank deposits	1,400	426	2,027	10,060
Reimbursement from trust funds	-	-	-	119,666
Investments in short terms securities	161,786	(144,659)	(14,744)	(144,659)
Net cash (used in) provided by investing activities	42,672	(226,511)	(338,054)	(232,767)

Cash flows from financing activities				
Dividends paid	-	-	(204,233)	(199,511)
Dividends paid to minority interest in subsidiaries	(3,620)	(5,194)	(19,621)	(7,924)
Proceeds from borrowings	59,282	130,167	293,845	775,930
Repayments of borrowings	(173,169)	(284,759)	(443,328)	(1,019,006)
Net cash used in financing activities	(117,507)	(159,786)	(373,337)	(450,511)
Increase in cash and cash equivalents	523,251	99,988	600,772	248,695
Movement in cash and cash equivalents				
At beginning of the period	752,259	430,284	680,591	293,824
Effect of exchange rate changes	902	1,190	(4,951)	(11,057)
Increase in cash and cash equivalents	523,251	99,988	600,772	248,695
At September 30,	1,276,412	531,462	1,276,412	531,462

Cash and cash equivalents	At September 30,			
	2006	2005	2006	2005
Cash and bank deposits	1,295,184	567,773	1,295,184	567,773
Bank overdrafts	(18,751)	(32,871)	(18,751)	(32,871)
Restricted bank deposits	(21)	(3,440)	(21)	(3,440)
	1,276,412	531,462	1,276,412	531,462