

Dear Tenaris Shareholder,

I am pleased to invite you to attend the Annual General Meeting and Extraordinary General Meeting of Shareholders of Tenaris Société Anonyme Holding. Both meetings will be held on Wednesday, June 7, 2006, at 46A, Avenue John F. Kennedy L-1855 Luxembourg. The Annual General Meeting of Shareholders will begin promptly at 11:00 a.m., (Central European Time), while the Extraordinary General Meeting of Shareholders will be held immediately upon conclusion of the Annual General Meeting of Shareholders.

At the Annual General Meeting of Shareholders, you will hear a report on the Company's business, financial condition and results of operations, and have the chance to meet the Chairman and Chief Executive Officer. Subsequently, the Extraordinary General Meeting of Shareholders will decide on proposed amendments to Tenaris's articles of association.

Enclosed please find the Notice and Agenda for both meetings and the Shareholder Meeting Brochure and Proxy Statement. These documents, as well as the Company's 2005 annual report (which includes the Company's financial statements for the year ended December 31, 2005 in their consolidated and unconsolidated form together with the board of director's report and the report of the independent auditor), are available on our website at www.tenaris.com/investors and may also be obtained upon request at 1 800 990 1135 (if you are in the United States) or 201 680 6630 (if you are outside the United States) and are available free of charge at the Company's registered office in Luxembourg.

Even if you only own a few shares or ADRs, I would like to see them represented at both meetings. You can vote your shares personally or by proxy. If you choose to vote by proxy, you may use the enclosed dedicated proxy form. If you are a holder of ADRs, please see the letter from JP Morgan Chase, the depository bank, for instructions on how to exercise your vote by proxy.

I look forward to welcoming you on June 7, 2006.

Very truly yours

Paolo Rocca
Chairman and Chief Executive Officer

April 20, 2006

JPMORGAN CHASE BANK, N.A.

**4 New York Plaza, Floor 13
New York, NY 10004**

Re: TENARIS S.A.

To: Registered Holders of American Depositary Receipts (“ADRs”) for Shares of Common Stock, US\$1 Par Value (“Common Stock”), of Tenaris S.A. (the “Company”):

The Company has announced that its Annual General Meeting of Shareholders will be held on June 7, 2006, at 11:00 a.m. (Central European Time), and that an Extraordinary General Meeting will be held immediately after conclusion of the Annual General Meeting. Both meetings will take place at 46A, Avenue John F. Kennedy L-1855 Luxembourg. **A copy of the Company’s Notice of Annual General Meeting and Extraordinary General Meeting of Shareholders, including the agenda for such meetings, is enclosed.**

The enclosed materials are provided to allow the shares represented by your ADRs to be voted at the meetings. They include the Notice of Annual General Meeting and Extraordinary General Meeting of Shareholders and the Shareholder Meeting Brochure and Proxy Statement. These documents, as well as the Company’s 2005 annual report (which includes the Company’s financial statements for the year ended December 31, 2005 in their consolidated and unconsolidated form), are available on our website at www.tenaris.com/investors and may also be obtained upon request at 1 800 990 1135 (if you are in the United States) or 201 680 6630 (if you are outside the United States).

Each holder of ADRs as of April 25, 2006, which continues to hold such ADRs on May 23, 2006, is entitled to instruct JPMorgan Chase Bank, N.A., as Depositary (the “Depositary”), as to the exercise of the voting rights pertaining to the Company’s shares of Common Stock represented by such holder’s ADRs. Although voting instructions and proxy material are sent to holders as of April 25, 2006, only those Holders of record as of each of April 25, 2006 and May 23, 2006 will be entitled to provide the Depositary with voting instructions. Notwithstanding that holders of ADRs must have held ADRs on each such date, in order to avoid the possibility of double vote, **only those positions on May 23, 2006 will be counted for voting instruction purposes.** Eligible ADR holders who desire to have their shares represented by their ADRs voted at the Meeting must complete, date and sign a proxy form and return it to JPMorgan Chase Bank, N.A., P.O. Box 3500, South Hakensack, NJ 07606-3500, U.S.A. If the Depositary receives properly completed instructions by **3:30 p.m., New York City time, on May 31, 2006**, then it shall vote or cause to be voted the shares underlying such ADRs in the manner prescribed by the instructions. However, if by 3:30 p.m., New York time, on May 31, 2006, the Depositary receives no instructions from the holder of ADRs, or the instructions are not in proper form, then the Depositary shall deem such holder to have instructed the Depositary to **vote the underlying shares of Common Stock of any such ADRs in favor of any proposals or recommendations of the Company**, for which purposes the Depositary shall issue a discretionary proxy to a person appointed by the Company to vote such shares in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote such shares on any given issue in accordance with the majority shareholder vote on that issue). No instruction shall be deemed given and no discretionary proxy shall be given with respect to any matter as to which the Company informs the Depositary it does not wish such proxy given or if the proposal has, in the discretion of the Depositary, a materially adverse effect on the rights of the holders of ADRs.

Any holder of ADRs is entitled to revoke any instructions which it has previously given to the Depositary by filing with the Depositary a written revocation or duly executed instructions bearing a later date at any time prior to **3:30 p.m., New York time, on May 31, 2006**. No instructions, revocations or revisions thereof shall be accepted by the Depositary after that time.

IF YOU WANT YOUR VOTE TO BE COUNTED, THE DEPOSITARY MUST RECEIVE YOUR VOTING INSTRUCTIONS PRIOR TO 3:30 P.M. (NEW YORK CITY TIME) ON MAY 31, 2006.

JPMORGAN CHASE BANK, N.A.
Depositary

April 20, 2006
New York, New York

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TENARIS S.A.

**Société Anonyme Holding
46A, Avenue John F. Kennedy
L-1855, Luxembourg
RCS Luxembourg B 85 203**

**Notice of the Annual General Meeting and Extraordinary General Meeting
of Shareholders
to be held on June 7, 2006**

Notice is hereby given to holders of shares of common stock of Tenaris S.A. (the “Company”) that the Annual General Meeting of Shareholders will be held on June 7, 2006, at 11:00 a.m. (Central European Time), and that an Extraordinary General Meeting will be held immediately after conclusion of the Annual General Meeting. Both meetings will be held at 46A, avenue John F. Kennedy L-1855 Luxembourg. In the Annual General Meeting, shareholders will vote with respect to the items listed below under the heading “Annual General Meeting”. At the Extraordinary General Meeting, shareholders will vote with respect to the item listed below under the heading “Extraordinary General Meeting”.

AGENDA
Annual General Meeting

1. Consideration of the Board of Directors’ and independent auditor’s reports on the consolidated financial statements. Approval of the Company’s consolidated financial statements as of, and for the fiscal year ended, December 31, 2005.
2. Consideration of the Board of Directors’ and independent auditor’s reports on the unconsolidated annual accounts. Approval of the Company’s unconsolidated annual accounts as of, and for the fiscal year ended, December 31, 2005.
3. Allocation of results and approval of dividend payment.
4. Discharge to the members of the Board of Directors.
5. Election of the Board of Directors’ members.
6. Authorization to the Board of Directors to delegate the day-to-day management of the Company’s business and the power to represent the Company as “*administrateur délégué*” (chief executive officer) to Mr. Paolo Rocca (with full power of sub-delegation).

7. Authorization to the Board of Directors to appoint any or all of its members as the Company's attorneys-in-fact including in general day to day management of the Company.
8. Authorization to the Board of Directors to cause the distribution of all shareholder communications, including its shareholder meeting and proxy materials and annual reports to shareholders by such electronic means as are permitted by any applicable laws or regulations.
9. Board of Directors' compensation.
10. Appointment of independent auditors and approval of their fees.

Pursuant to the Company's Articles of Association, resolutions at the Annual General Meeting of Shareholders will be passed by simple majority vote, irrespective of the number of shares present or represented.

Extraordinary General Meeting

1. Amendment of article 11 of the Articles of Association to require the Audit Committee to report to the board of directors on its activity and on the adequacy of the internal control system once a year.

Pursuant to the Company's Articles of Association, an extraordinary general meeting of shareholders convened to consider a proposed amendment to the Company's Articles of Association can only validly vote on such amendment on the first call if at least half of the share capital is present or represented. If the required quorum is not met, a second meeting may be convened by means of notices published twice, at twenty (20) days interval at least and in any case twenty (20) days before the meeting, in the Mémorial C, Recueil des Sociétés et Associations (Luxembourg Official Gazette) and such other newspapers as provided for in article 19 of the Articles of Association of the Company. The second meeting can validly decide regardless of the quorum present or represented. In each case, resolutions may only be passed by a two-thirds majority of the votes of the shareholders present or represented.

PROCEDURES FOR ATTENDING THE MEETINGS

Holders of shares wishing to attend the meetings must obtain an admission ticket by depositing their certificates representing their common stock, not later than **4:00 p.m. (local time) on June 1st, 2006**, at any of the following Company's offices:

Luxembourg:	46A, Avenue John F. Kennedy L-1855 Luxembourg
Argentina:	Leandro N. Alem 1067, 15° (C1001AAF) Buenos Aires Attn: Horacio de las Carreras and/or Eleonora Cimino
Italy:	c/o Dalmine S.p.A. Piazza Caduti 6 luglio 1944 n. 1 24044 Dalmine (BG) Attn: Marco Tajana and/or Teresa Gaini
Mexico:	c/o Tubos de Acero de México S.A. Campos Eliseos 400-17 Col. Chapultepec Polanco 11560 Mexico D.F. Attn: Félix Todd and/or Luis Armando Leviaguirre

Holders of shares through fungible securities accounts wishing to attend the meetings must present a certificate (issued by the financial institution or professional depositary holding such shares) evidencing such deposit and certifying the number of shares recorded in the relevant account as of June 1st, 2006. Such certificate must be filed no later than **4:00 p.m. (local time) on June 1st, 2006** with any of the Company's offices indicated above and, in the case of shares held in Mexico, with S.D. Indeval, S.A. de C.V. (Paseo de la Reforma #255, 2o. y 3er. piso Col. Cuauhtémoc, Mexico City).

Holder of shares as of June 1st, 2006 may also vote by proxy. To vote by proxy, holders must file the required certificate and a completed proxy form not later than **4:00 p.m. (local time) on June 1st, 2006** with any of the Company's offices indicated above or, in the case of shares held in Mexico, with S.D. Indeval, S.A. de C.V, in Mexico City.

Holders of American Depositary Receipts (the "ADRs") as of April 25, 2006, which continue to hold such ADRs on May 23, 2006, are entitled to instruct JPMorgan Chase Bank, N.A., as Depositary (the "Depositary"), as to the exercise of the voting rights pertaining to the Company's shares of Common Stock represented by such holder's ADRs. Although voting instructions and proxy material are sent to holders as of April 25, 2006, only those holders of ADRs as of each of April 25, 2006 and May 23, 2006 will be entitled to provide the Depositary with voting instructions. Notwithstanding that holders of ADRs must have held ADRs on each such date, in order to avoid the possibility of double vote, **only those positions on May 23, 2006 will be counted for voting instruction purposes**. Eligible ADR holders who desire to vote at the Meeting must complete, date and sign a proxy form and return it to JPMorgan Chase Bank, N.A. (the "Depositary"),

P., P.O. Box 3500, South Hakensack, NJ 07606-3500, U.S.A., by 3:30 p.m., New York City time, on May 31, 2006.

The Shareholder Meeting Brochure and Proxy Statement (which contains reports on each item of the agenda for the meetings, and further details on voting procedures) and the forms furnished by the Company in connection with the meetings, may be obtained from any of the Company's offices indicated above, the Depositary, Borsa Italiana SpA (Piazza degli Affari 6, 20123, Milan, Italy) and S.D. Indeval S.A. de C.V., as from April 20, 2006, between 10:00 a.m. and 5:00 p.m. (local time).

Copies of the Shareholder Meeting Brochure and Proxy Statement and the forms are also available at www.tenaris.com/investors. Copies of the Companies financial statements and the reports of the auditors as well as the documents referred to in the preceding sentence may also be obtained free of charge at the Company's registered office in Luxembourg.

Cecilia Bilesio
Secretary of the Board of Directors

April 20, 2006
Luxembourg

TENARIS S.A.

**Société Anonyme Holding
46A, Avenue John F. Kennedy
L-1855, Luxembourg
RCS Luxembourg B 85 203**

SHAREHOLDER MEETING BROCHURE AND PROXY STATEMENT

Annual General Meeting and Extraordinary General Meeting of Shareholders to be held on June 7, 2006

This Shareholder Meeting Brochure and Proxy Statement is furnished by Tenaris, S.A. (the “Company”) in connection with the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders to be both held, for the purposes set forth in the accompanying Notice of the Annual General Meeting and Extraordinary General Meeting of Shareholders (the “Notice”), on June 7, 2006 starting at 11:00 a.m., at 46A, avenue John F. Kennedy L-1855 Luxembourg.

As of April 20, 2006, there were issued and outstanding 1,180,536,830 shares of common stock, US\$1 par value, of the Company (the “Common Stock”), including shares of Common Stock (the “Deposited Shares”) deposited with Fortis Bank Luxembourg S.A., as agent for JPMorgan Chase Bank, N.A., as depositary (the “Depositary”), under the Deposit Agreement, dated as of November 11, 2002, as amended on April 3, 2006 (the “Deposit Agreement”) among the Company, the Depositary and all holders from time to time of American Depositary Receipts (the “ADRs”) issued thereunder. The Deposited Shares are represented by American Depositary Shares, which are evidenced by the ADRs (one ADR equals two Deposited Shares).

Each holder of shares of Common Stock is entitled to one vote per share. Holders of shares that hold shares through fungible securities accounts and wish to attend the Meetings must present a certificate (issued by the financial institution or professional depositary holding such shares) evidencing such deposit and certifying the number of shares recorded in the relevant account on June 1st, 2006. Such certificate must be filed no later than 4:00 p.m. (local time) on June 1st, 2006, with any of the Company’s offices indicated in the Notice, or, in the case of shares held in Mexico, with S.D. Indeval, S.A. de C.V., in Mexico City.

Holders of shares as of June 1st, 2006 may also vote by proxy. To vote by proxy, such holders must file the requisite certificate and a completed proxy form not later than 4:00 p.m. (local time),

on June 1st, 2006, with any of the Company's offices indicated in the Notice, or, in the case of shares held in Mexico, with S.D. Indeval, S.A. de C.V., in Mexico City.

Each holder of ADRs as of April 25, 2006, which continues to hold such ADRs on May 23, 2006, is entitled to instruct JPMorgan Chase Bank, N.A., as Depositary (the "Depositary"), as to the exercise of the voting rights pertaining to the Company's shares of Common Stock represented by such holder's ADRs. Although voting instructions and proxy material are sent to holders as of April 25, 2006, only those Holders of record as of each of April 25, 2006 and May 23, 2006 will be entitled to provide the Depositary with voting instructions. Notwithstanding that holders of ADRs must have held ADRs on each such date, in order to avoid the possibility of double vote, **only those positions on May 23, 2006 will be counted for voting instruction purposes.** Eligible holders of ADRs who desire to have their shares represented by their ADRs voted at the Meeting must complete, date and sign a proxy form and return it to JPMorgan Chase Bank, N.A., P.O. Box 3500, South Hackensack, NJ 07606-3500, U.S.A. If the Depositary receives properly completed instructions by **3:30 p.m., New York City time, on May 31, 2006**, then it shall vote or cause to be voted the shares underlying such ADRs in the manner prescribed by the instructions. However, if by **3:30 p.m., New York time, on May 31, 2006**, the Depositary receives no instructions from the holder of ADRs, or the instructions are not in proper form, then the Depositary shall deem such holder to have instructed the Depositary to vote the underlying shares of Common Stock of any such ADRs in favor of any proposals or recommendations of the Company, for which purposes the Depositary shall issue a discretionary proxy to a person appointed by the Company to vote such shares in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote such shares on any given issue in accordance with the majority shareholder vote on that issue). No instruction shall be deemed given and no discretionary proxy shall be given with respect to any matter as to which the Company informs the Depositary it does not wish such proxy given or if the proposal has, in the discretion of the Depositary, a materially adverse effect on the rights of the holders of ADRs. Any holder of ADRs is entitled to revoke any instructions which it has previously given to the Depositary by filing with the Depositary a written revocation or duly executed instructions bearing a later date at any time prior to **3:30 p.m., New York time, on May 31, 2006**. No instructions, revocations or revisions thereof shall be accepted by the Depositary after that time.

Due to regulatory differences and market practices in each country where the Company's shares are listed, the holders of shares traded on the Argentine and Italian stock exchanges who have requested admission to the meetings, or who have issued a voting proxy, must have their shares blocked for trading until the date of the meetings, while holders of shares traded in the Mexican stock exchange and holders of ADRs traded in the New York stock exchange need not have their shares or ADRs, as the case may be, blocked for trading. However, the votes of holders of shares traded in the Mexican stock exchange who sell their shares between May 31, 2006 and June 6, 2006, shall be disregarded.

The meetings will appoint a chairperson *pro tempore* to preside over them. The chairperson *pro tempore* will have broad authority to conduct the meetings in an orderly and timely manner and to establish rules for shareholders who wish to address the meetings; the chairperson may exercise

broad discretion in recognizing shareholders who wish to speak and in determining the extent of discussion on each item of the agenda.

Pursuant to the Company's Articles of Association, resolutions at the Annual General Meeting of Shareholders will be passed by majority vote, irrespective of the number of shares present or represented. Extraordinary general meetings of shareholders convened to consider amendments to the Company's Articles of Association can only validly meet on the first call if at least half of the share capital is present or represented. If the required quorum is not met, a second meeting may be convened by means of notices published twice, at twenty (20) days interval at least and in any case twenty (20) days before the meeting, in the Mémorial C, Recueil des Sociétés et Associations (Luxembourg Official Gazette). The second meeting can validly decide regardless of the quorum present or represented. In each case, resolutions may only be passed by a two-thirds majority of the votes of the shareholders present or represented.

The meetings are called to address and vote on the following agenda:

ANNUAL GENERAL MEETING

1. CONSIDERATION OF THE BOARD OF DIRECTORS' AND INDEPENDENT AUDITOR'S REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS. APPROVAL OF THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS AS OF, AND FOR THE FISCAL YEAR ENDED, DECEMBER 31, 2005.

The Board of Directors recommends a vote FOR approval of the Company's consolidated financial statements for the fiscal year ended December 31, 2005, and having considered the reports from each of the Board of Directors and the independent auditors on such consolidated financial statements. The consolidated balance sheet of the Company and its subsidiaries at December 31, 2005 and the related consolidated statement of income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and notes to the consolidated financial statements, the independent auditors' report on such consolidated financial statements and management's discussion and analysis on the Company's results of operations and financial condition are included in the Company's annual report 2005, a copy of which is available on our website at www.tenaris.com/investors and may also be obtained upon request at 1 800 990 1135 (if you are in the United States) or 201 680 6630 (if you are outside the United States).

2. CONSIDERATION OF THE BOARD OF DIRECTORS' AND INDEPENDENT AUDITOR'S REPORTS ON THE UNCONSOLIDATED ANNUAL ACCOUNTS. APPROVAL OF THE COMPANY'S UNCONSOLIDATED ANNUAL ACCOUNTS AS OF, AND FOR THE FISCAL YEAR ENDED, DECEMBER 31, 2005.

The Board of Directors recommends a vote FOR approval of the Company's unconsolidated annual accounts as of, and for the fiscal year ended, December 31, 2005, and having considered the report from each of the Board of Directors and the independent auditors on such unconsolidated annual accounts. These documents are included in the Company's annual report, a copy of which is

available on our website at www.tenaris.com/investors and may also be obtained upon request at 1 800 990 1135 (if you are in the United States) or 201 680 6630 (if you are outside the United States).

3. ALLOCATION OF RESULTS AND APPROVAL OF DIVIDEND PAYMENT.

The Board of Directors recommends a vote FOR approval of an annual dividend in U.S. dollars in an amount of US\$0.30 per share. As required by Luxembourg law, the total dividend amount includes the interim dividend declared by the Board of Directors in accordance with Luxembourg law on November 8, 2005, and paid on November 16, 2005, in an amount of US\$0.127 per share. Accordingly, if this annual dividend proposal is approved, the Company will make a cash dividend payment to shareholders on June 16, 2006 in the amount of US\$0.173 per share issued and outstanding on June 13, 2006. Since each ADR is equivalent to two ordinary shares following the adjustment in the ADR ratio made on April 17, 2006, this dividend payment amount of US\$0.173 per share is equivalent to US\$0.346 per ADR.

The aggregate amount of US\$149,928,177 distributed as interim dividend on November 16, 2005, was paid from earnings from the nine-month period ended September 30, 2005, The aggregate amount of US\$204,232,872 to be distributed as dividends after the date hereof shall also be paid from profits earned during the year ended December 31, 2005.,The balance of the fiscal year's profits will be allocated to the Company's retained earnings account.

Upon approval of this resolution, the Board of Directors shall determine, in its discretion, the terms and conditions of the dividend payment, including the applicable record date.

4. DISCHARGE TO THE MEMBERS OF THE BOARD OF DIRECTORS.

In accordance with applicable Luxembourg law and regulations, it is proposed that, upon approval of the Company's accounts for the year ended December 31, 2005, the members of Board of Directors be discharged of any responsibilities in connection with the management of the Company's affairs during such year.

5. ELECTION OF THE BOARD OF DIRECTORS' MEMBERS.

The Company's Articles of Association provide for the annual election by the holders of Common Stock of a Board of Directors of not less than five and not more than fifteen members. Members of the Board of Directors have a term of office of one year, but may be reappointed.

Under applicable U.S. laws and regulations, effective on July 15, 2005, the Company is required to have an audit committee comprised solely of directors who are independent.

The present Board of Directors of the Company consists of nine Directors. Three members of the Board of Directors (Messrs. Jaime Serra Puche, Amadeo Vázquez y Vázquez and Roberto Monti) qualify as independent members under the Company's Articles of Association and applicable law.

It is proposed that the current members of the Board of Directors be re-elected.

Set forth below is summary biographical information of each of the candidates:

1) **Mr. Roberto Bonatti.** Mr. Bonatti is president of San Faustín N.V., Tecpetrol S.A. and Techint Compañía Técnica Internacional S.A.C.I. of Argentina. He is also a member of the board of directors of Ternium S.A., Siderca S.A.I.C. and Siderar S.A.I.C. Mr. Bonatti is an Italian citizen.

2) **Mr. Carlos Manuel Franck.** Mr. Franck is president of Santa María, vice president of Siderca S.A.I.C. and a member of the board of directors of Techint Financial Corporation N.V., I.I.I. Industrial Investments Inc., Siderar S.A.I.C., Tecpetrol and Tecgas. Mr. Franck is an Argentine citizen.

3) **Mr. Bruno Marchettini.** Mr. Marchettini has recently retired from executive positions, and continues to be the referent advisor in steel technology matters. He is member of the board of directors of San Faustín N.V., Ternium S.A. and Siderar S.A.I.C. Mr. Marchettini is an Italian citizen.

4) **Mr. Roberto Monti*.** Mr. Monti is a non-executive chairman of Trefoil Limited., member of the board of directors of Petrobras Energia, Transocean Offshore Drilling and of John Wood Group PLC. Served as vice president of Exploration and Production of Repsol YPF and vice president of the board of directors of YPF. He was also president of Dowell, a subsidiary of Schlumberger and president of Schlumberger division of East hemisphere, Wireline & Testing from South America. Mr. Monti is an Argentine citizen.

5) **Mr. Gianfelice Mario Rocca.** Mr. Rocca is chairman of the board of directors of San Faustín, a member of the board of directors of I.I.I. Industrial Investments Inc., Tenaris S.A., Dalmine S.p.A., Tubos de Acero de México, S.A. and Ternium S.A., president of the Humanitas Group and president of the board of directors of Techint Compagnia Tecnica Internazionale S.p.A., Techint S.A. de C.V. In addition, he sits on the board of directors or executive committees of several companies, including Sirti S.p.A., Ras, RCS Quotidiani, Fastweb, Buzzi Unicem and Cam Finanziara S.p.A. He is vice president of Confindustria, the leading association of Italian industrialists. He is a member of the European Advisory Board of the Harvard Business School, the Trilateral Commission. Mr. Rocca graduated in Physics cum laude at the University of Milan and holds a postgraduate degree from the Harvard Business School. Mr. Rocca is an Italian citizen.

6) **Mr. Paolo Rocca.** Mr. Rocca is chairman of our board of directors and our chief executive officer. He is also chairman of the board of directors of Tubos de Acero de Mexico, S.A. (“Tamsa”) and of Dalmine, S.p.A. and vice president of Confab Industrial S.A. He is also chairman of the board of Ternium S.A. and director and vice president of San Faustín N.V. and director of Techint Financial Corporation N.V. Mr. Rocca is member of the Executive Committee of the IISI (International Iron and Steel Institute), member of the International Advisory Committee of the NYSE (New York Stock Exchange) and member of the Private Sector Advisory Council of the IDB (Inter-American Development Bank). Mr. Rocca is an Italian citizen.

7) **Mr. Jaime Serra Puche*.** Mr. Serra Puche is chairman of SAI Consultores, and a member of the board of directors of Chiquita Brands International, The Mexico Fund, Vitro and Grupo Modelo. Mr. Serra Puche served as Mexico’s Undersecretary of Revenue, Secretary of Trade and

Industry, and Secretary of Finance. He led the negotiation and implementation of NAFTA. Mr. Serra Puche is a Mexican citizen.

8) **Mr. Amadeo Vázquez y Vazquez***. Mr. Vázquez y Vázquez is chairman of the board of directors of Telecom Argentina S.A., a director of Gas Natural Ban, S.A., second vice president of Asociación de Empresas de Servicios Privatizados and third vice president of Cámara Argentina de Comercio, and Vocal of the Executive Committee of Asociación Empresaria Argentina. Mr. Vázquez y Vázquez is an Argentine citizen.

9) **Mr. Guillermo F. Vogel**. Mr. Vogel is vice chairman of Tamsa, vice chairman of the American Iron & Steel Institute, chairman of the North American Steel Council, chairman of Grupo Collado, vice chairman of Estilo y Vanidad S.A. de C.V.. Mr. Vogel is a Mexican citizen.

Each elected director will hold office until the next annual meeting of shareholders. Under the current Company's Articles of Association, such meeting is required to be held on June 6, 2007.

The Board of Directors of the Company met six times during 2005. On January 31, 2003, the Board of Directors created an Audit Committee pursuant to Article 11 of the Articles of Association. As permitted under applicable laws and regulations, the Board of Directors does not have any executive, nominating or compensation committee, or any committees exercising similar functions.

6. AUTHORIZATION TO THE BOARD OF DIRECTORS TO DELEGATE THE DAY-TO-DAY MANAGEMENT OF THE COMPANY'S BUSINESS AND THE POWER TO REPRESENT THE COMPANY AS "ADMINISTRATEUR DÉLÉGUÉ" (CHIEF EXECUTIVE OFFICER) TO MR. PAOLO ROCCA (WITH FULL POWER OF SUB-DELEGATION).

In order to provide for the necessary flexibility in the management of the Company's affairs, it is proposed that the management of the Company's day-to-day business and power to represent the Company as *administrateur délégué* be delegated to Mr. Paolo Rocca, Chairman of the Board of Directors and Chief Executive Officer of the Company. The chief executive officer will have the power to sub delegate the authority to represent the Company in connection with specific transactions or matters relative to the duties of the chief executive officer.

7. AUTHORIZATION TO THE BOARD OF DIRECTORS TO APPOINT ANY OR ALL OF ITS MEMBERS AS THE COMPANY'S ATTORNEYS-IN-FACT INCLUDING IN GENERAL DAY TO DAY MANAGEMENT OF THE COMPANY.

In order to provide for the necessary flexibility in the management of the Company's affairs, it is proposed that the General Shareholders' Meeting of the Company authorises the Board of Directors to appoint any or all members of the Board from time to time as the Company's attorney-in-fact, delegating to such directors any management powers to the extent the Board may deem appropriate in connection therewith, this authorisation to be valid until expressly revoked by the Company's General Shareholders Meeting.

* Independent directors

It being understood, for the avoidance of doubt, that this authorisation shall not revoke, substitute, impair nor limit in any way the authorisation granted by the General Shareholders Meeting of the Company for the delegation of the day-to-day management of the Company and the authority to represent and bind the Company in such day-to-day management to Paolo Rocca, Chairman of the Board of Directors and Chief Executive Officer of the Company (*administrateur délégué*).

8. AUTHORIZATION TO THE BOARD OF DIRECTORS TO CAUSE THE DISTRIBUTION OF ALL SHAREHOLDER COMMUNICATIONS, INCLUDING ITS SHAREHOLDER MEETING AND PROXY MATERIALS AND ANNUAL REPORTS TO SHAREHOLDERS BY SUCH ELECTRONIC MEANS AS ARE PERMITTED OR REQUIRED BY ANY APPLICABLE LAWS OR REGULATIONS.

In order to expedite shareholder communications and ensure their timely delivery, the Board of Directors recommends that it be authorized to cause the distribution of all shareholder communications, including its shareholder meeting and proxy materials and annual reports to shareholders (either in the form of a separate annual report containing financial statements of the Company and its consolidated subsidiaries or in the form of a Form 20-F or similar document, as filed with the securities authorities or stock markets) by such electronic means as are permitted or required by any applicable laws or regulations (including any interpretations thereof), including, without limitation, by posting such communication on the Company's web site, or by sending an email with attachment in a widely used format or with a hyperlink to the applicable filing by the Company on the website of the above referred authorities or stock markets, or by any other existing or future electronic means of communication.

9. BOARD OF DIRECTORS' COMPENSATION

It is proposed that each of the members of the Board of Directors receive an amount of US\$50,000 as compensation for their services during the fiscal year 2006. It is further proposed that the Chairman of the Audit Committee receive an additional fee of US\$60,000 and that the other Directors who are members of such Committee receive an additional fee of US\$50,000.

10. APPOINTMENT OF INDEPENDENT AUDITORS AND APPROVAL OF THEIR FEES

Based on the recommendation from the Audit Committee, the Board of Directors of the Company recommends a vote FOR the appointment of PricewaterhouseCoopers S.à.r.l., Réviseur d'entreprises, member firm of PricewaterhouseCoppers, as the independent auditors of the Company for the fiscal year ending December 31, 2006, to be engaged until the next annual general meeting that will be convened to decide on the 2006 accounts.

In addition, the Board of Directors recommends a vote FOR approval of an amount up to US\$3'489,838 payable to the independent auditors as fees for audit services and audit related services to be rendered during the fiscal year ending December 31, 2006. Such fees cover the audit of the Company's consolidated financial statements and annual accounts, the audit of the Company's internal controls over financial reporting as mandated by the Sarbanes-Oxley Act of 2002, and other audit related services.

EXTRAORDINARY GENERAL MEETING

1. AMENDMENT OF ARTICLE 11 OF THE ARTICLES OF ASSOCIATION TO REQUIRE THE AUDIT COMMITTEE TO REPORT TO THE BOARD OF DIRECTORS ON ITS ACTIVITY AND ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM ONCE A YEAR.

Taking into consideration the need to reconcile the multiple reporting obligations to which the Company is subject as a result of the listing of its securities in four jurisdictions with those that apply to similar public companies to meet market expectations, it is proposed to require the Audit Committee to report to the board of directors on its activity and on the adequacy of the internal control system once a year, rather than every six months.

Article 11 of the Articles of Association, as amended, would read as follows:

“Article 11. Article 11. Powers. The board of directors is invested with the broadest powers to act on behalf of the Company and accomplish or authorize all acts and transactions of management and disposal which are within its corporate purpose and which are not specifically reserved to the general meeting.

The Company will be bound by the joint signature of two directors or the sole signature of any persons to whom such signatory power shall be delegated by the board of directors.

The board of directors is invested with the power to interpret and apply the present Articles of Association and to issue guidelines and rules for that purpose.

Within the limits of applicable law, the board of directors may: 1. *delegate to one or more persons, whether or not members of the board of directors, the powers necessary to carry out its decisions and to provide day-to-day management; provided that the approval of material transactions with related parties shall not be delegated and the opinion of the Audit Committee on such material transactions shall be taken into consideration prior to their approval by the board of directors;*

2. *confer to one or more persons, whether or not members of the board of directors, the powers deemed to be appropriate for the general technical, administrative and commercial management of the Company;*

3. *constitute an Audit Committee, made up by directors, determining its function and authority;*

4. *constitute any committee, the members of which may be selected either from among the directors or outside thereof, and determine their functions and authority.*

The board may authorize all substitutions in the powers it may confer or has conferred.

In case the shares of the Company are listed on a regulated market, the Company shall have an Audit Committee composed of three members, two of which, at least, shall qualify as Independent Directors. The members of the Audit Committee shall not be eligible to participate in any incentive compensation plan for employees of the Company or any of its subsidiaries. The Audit Committee shall (I) assist the board of directors in fulfilling its oversight responsibilities relating to the integrity of the financial statements of the Company, the Company’s system of internal controls and the independence and performance of the

Company's internal and independent auditors. It shall also perform the other duties entrusted to it by the board of directors, particularly as regards relations with the independent auditor and (II) review material transactions between the Company or its subsidiaries with related parties to determine whether their terms are consistent with market conditions or are otherwise fair to the Company and its subsidiaries. To that end, (A) the term «material» shall mean (a) any transaction, or series of transactions within the period of one year prior to the determination, by which the Company or any of its subsidiaries would be required to pay or would receive aggregate sums in excess of 1.5% of the Company's consolidated net sales made in the fiscal year preceding the year on which the determination is made or (b) any corporate reorganization transaction (including a merger, spin-off or bulk transfer of a business) affecting the Company or any of its subsidiaries for the benefit of or involving also a related party;

and (B) the term «related party» shall mean any of the following persons in relation to the Company or the subsidiaries of the Company: (i) a member of the board of directors of the Company or of any of the subsidiaries; (ii) any company or person that controls directly or indirectly the Company or is a member of the board of directors of a company controlling directly or indirectly the Company; (iii) any company or person that holds a significant interest in the equity of the Company or of a subsidiary of the Company; (iv) spouses, parents, siblings or relatives up to the third degree of any person referred to in (i), (ii) or (iii); and (v) companies in whose equity the persons referred in (i) and (iii) hold a significant interest.

The board of directors shall appoint one of the members of the Audit Committee as its Chairman. The Audit Committee shall report to the board of directors on its activity and the adequacy of the internal control system once a year, at the time the annual accounts are approved.

For the purpose of the present Articles of Association, the term «Independent Director» shall mean a director who: (i) is not, and has not been employed by the Company or its subsidiaries in an executive capacity, within the five years immediately prior to the annual meeting at which the nominees of the board of directors will be voted upon;

(ii) is not a person that directly or indirectly controls the Company and is not a member of the board of directors of a company controlling directly or indirectly the Company;

(iii) has not (and is not affiliated with a company or a firm that has) a significant business relationship with the Company, its subsidiaries or the person that directly or indirectly controls the Company;

(iv) is not, and has not been affiliated with or employed by a (present or former) auditor of the Company, its subsidiaries or the person that directly or indirectly controls the Company, within the five years immediately prior to the annual meeting at which the nominees of the board of directors will be voted upon;

(v) is not a spouse, parent, sibling or relative up to the third degree of any person above described from (i) to (v).

The Board of Directors believes that the proposed amendment to the Articles of Association is in the best interests of the Company and its stockholders and accordingly recommends a vote FOR this proposal.

The Company anticipates that the next Annual General Meeting of Shareholders will be held on June 6, 2007. A holder of shares who intends to present a proposal at the next Annual General Meeting must submit the proposal in writing to the Company at any of the offices indicated in the Notice not later than 4:00 P.M. (local time) on March 31, 2007, in order for such proposal to be considered for inclusion on the agenda for the 2007 annual general meeting of shareholders.

PricewaterhouseCoopers S.à.r.l., Réviseur d'entreprises, member firm of PricewaterhouseCoppers are the Company's independent auditors. A representative of the independent auditors will be present at the Meetings to respond to questions.

Cecilia Bilesio
Secretary of the Board of Directors