TENARIS S.A.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2004

Rue Beaumont 13
L – 1219 Luxembourg

Consolidated condensed interim income statement

(all amounts in USD thousands, unless otherwise stated)	Notes	Three-month period ended March 31, 2004	Three-month period ended March 31, 2003
		(Unaudited)	
Net sales	1	859,346	789,579
Cost of sales	2	(620,457)	(558,534)
Gross profit		238,889	231,045
Selling, general and administrative expenses	3	(139,818)	(132,998)
Other operating income and expenses		3,500	521
Operating income		102,571	98,568
Financial income (expenses), net	4	(15,438)	(22,691)
Income before tax, equity in losses of associated companies and minority interest		87,133	75,877
Equity in losses of associated companies		(461)	(9,034)
Income before income tax and minority interest		86,672	66,843
Income tax	5	(39,069)	(17,927)
Net income before minority interest		47,603	48,916
Minority interest		765	(3,404)
Net income for the period		48,368	45,512
Weighted average number of ordinary shares in issue (thousands)		1,180,371	1,160,701
Basic and diluted earnings per share (USD per share)		0.04	0.04

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The limited review report of the independent auditor on these consolidated condensed interim financial statements is issued as a separate document.

Consolidated condensed interim balance sheet

(all amounts in USD thousands)	Notes	At March 31,2004 (Unaudited)		At December 31, 2003	
ASSETS					
Non-current assets					
Property, plant and equipment, net	**6**	1,924,947		1,960,314	
Intangible assets, net	**6**	54,317		54,037	
Investments in associated companies		45,361		45,814	
Other investments		23,175		23,155	
Deferred tax assets		124,561		130,812	
Receivables		59,440	2,231,801	59,521	2,273,653
Current assets					
Inventories		885,622		831,879	
Receivables and prepayments		175,623		165,134	
Trade receivables	**7**	760,801		652,782	
Other investments		138,637		138,266	
Cash and cash equivalents		220,968	2,181,651	247,834	2,035,895
Total assets			4,413,452		4,309,548
EQUITY AND LIABILITIES					
Shareholders' Equity			1,888,437		1,841,280
Minority interest			118,387		119,984
Non-current liabilities					
Borrowings	**8**	333,787		374,779	
Deferred tax liabilities		395,172		418,333	
Other liabilities		197,299		191,540	
Provisions		30,345		23,333	
Trade payables		11,548	968,151	11,622	1,019,607
Current liabilities					
Borrowings	**8**	585,099		458,872	
Current tax liabilities		102,083		108,071	
Other liabilities		167,214		207,594	
Provisions		31,544		39,624	
Customers advances		67,715		54,721	
Trade payables		484,822	1,438,477	459,795	1,328,677
Total liabilities			2,406,628		2,348,284
Total equity and liabilities			4,413,452		4,309,548

Contingencies, commitments and restrictions to the distribution of profits (Note 10)

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The limited review report of the independent auditor on these consolidated condensed interim financial statements is issued as a separate document.

Consolidated condensed interim statement of changes in shareholders' equity
(all amounts in USD thousands)

	Statutory balances according to Luxembourg Law									Total at March 31,	
	Share Capital	**Legal Reserves**	**Share Premium**	**Other Distributable Reserve**	**Retained Earnings**	**Total**	**Adjustments to IFRS**	**Currency translation adjustments**	**Retained Earnings**	**2004**	**2003**
										(Unaudited)	
Balance at January 1,	1,180,288	118,029	609,269	96,555	201,480	2,205,621	(634,759)	(34,194)	304,612	1,841,280	1,694,054
Currency translation differences	-	-	-	-	-	-	-	(2,031)	-	(2,031)	(16,594)
Capital Increase (Note 12)	249	25	464	82	-	820	-	-	-	820	-
Net income	-	-	-	-	52,259	52,259	(52,259)	-	48,368	48,368	45,512
Balance at March 31,	1,180,537	118,054	609,733	96,637	253,739	2,258,700	(687,018)	(36,225)	352,980	1,888,437	1,722,972

For additional disclosure related to the Distributable Reserve and the Retained Earnings calculated under Luxembourg Law see Note 10 (vi).

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The limited review report of the independent auditor on these consolidated condensed interim financial statements is issued as a separate document.

Consolidated condensed interim cash flow statement

(all amounts in USD thousands)	Three-month period ended March 31, 2004	2003
	(Unaudited)	
Net income for the period	48,368	45,512
Depreciation and amortization	53,824	47,867
Tax accruals less payments	(10,320)	4,338
Equity in earnings (losses) of associated companies	461	9,034
Interest accruals less payments	(1,551)	2,426
Net provisions	(1,068)	3,203
Minority interest	(765)	3,404
Change in working capital	(174,981)	52,415
Currency translation adjustment and others	(3,477)	(10,135)
Net cash (used in) provided by operations	**(89,509)**	**158,064**
Capital expenditure	(39,912)	(43,611)
Acquisitions of subsidiaries and Associates	191	(20,013)
Proceeds from disposition of property, plant and equipment	6,519	658
Net cash used in investment activities	**(33,202)**	**(62,966)**
Proceeds from borrowings	147,694	84,493
Repayments of borrowings	(51,471)	(94,374)
Net cash provided by (used in) financing activities	**96,223**	**(9,881)**
(Decrease) / Increase in cash and cash equivalents	**(26,488)**	**85,217**
Cash and cash equivalents at January 1,	247,834	304,536
Effect of exchange rate changes on cash and cash equivalents	(378)	298
(Decrease) / Increase in cash and cash equivalents	(26,488)	85,217
Cash and cash equivalents at March 31,	220,968	390,051
Non-cash financing activity:		
Fair value adjustment of minority interest acquired	-	748

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The limited review report of the independent auditor on these consolidated condensed interim financial statements is issued as a separate document.

Accounting policies

Index to accounting policies

Accounting policies

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

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 the consolidated condensed interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2003, unless specified.

The following is a summary of the principal accounting policies followed in the preparation of these consolidated condensed interim financial statements. This summary has been included for the convenience of the reader and should not be regarded as a complete explanation of the accounting policies used by the Company.

A Business of the Company and basis of presentation

Tenaris S.A. (the "Company" or "Tenaris"), a Luxembourg corporation, was incorporated on December 17, 2001, to hold investments in steel pipe manufacturing and distributing companies. The Company holds, either directly or indirectly, controlling interests in certain subsidiary companies. A detail of the principal holdings is included in Note 15.

These consolidated condensed interim financial statements consolidate the financial information of Tenaris with those of its subsidiaries at March 31, 2004 and 2003 and for the three-month periods then ended. Subsidiary companies are entities in which Tenaris has an interest of more than 50% of the voting rights or otherwise has the power to exercise control over their operations.

Certain comparative amounts have been reclassified to conform to changes in presentation in the current period. Elimination of all material intercompany transactions and balances among the Company and its consolidated subsidiaries has been made.

These consolidated condensed interim financial statements were approved by Tenaris's Board of Directors on May 5, 2004.

B Translation of financial statements and transactions in currencies other than the measurement currency

The measurement currency of Tenaris is the U.S. dollar. Although the Company is located in Luxembourg, Tenaris operates in several countries with different currencies. The U.S. dollar is the currency that best reflects the economic substance of the underlying events and circumstances relevant to Tenaris as a whole. Generally, the measurement currency of the main companies in these financial statements is the respective local currency. As further explained in the Company's consolidated financial statements for the year ended December 31, 2003, the measurement currency for Siderca and its Argentine subsidiaries is the U.S. dollar, because:

- Siderca is located in Argentina and its local currency has been affected by recurring severe economic crises;
- Sales are denominated and settled in U.S. dollars or, if in a currency other than the U.S. dollar, the price is sensitive to movements in the exchange rate with the U.S. dollar;
- Purchases of critical raw materials are financed in U.S. dollars generated by financing or operating activities;
- Most of the net financial assets and liabilities are mainly obtained and retained in U.S. dollars.

Income statements of subsidiary companies stated in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates for the quarter, while balance sheets are translated at the exchange rates at period end. Translation differences are recognized in shareholders' equity. Should any such subsidiary be sold or otherwise disposed of, any accumulated translation difference would be recognized in the income statement as part of the gain or loss on sale.

B Translation of financial statements and transactions in currencies other than the measurement currency (Cont'd.)

Transactions in currencies other than the measurement currency are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than the measurement currency are recognized in the income statement. Further reference regarding the accounting policies applied for the translation of financial statements and transactions subject to the consolidation process is included in the notes to the Company's consolidated financial statements for the year ended December 31, 2003.

C Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet dates, and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates.

D Summary of accounting policies regarding specific asset and liability categories

An overview of relevant accounting policies applied in the recognition and valuation of assets and liabilities is described below. A more detailed description is included in the notes to the Company's consolidated financial statements for the year ended December 31, 2003.

(1) Property, plant and equipment and Intangible assets

Property, plant and equipment are recognized at historical acquisition or construction cost less depreciation, calculated using the straight line method to amortize the cost of each asset over its estimated useful life. In the case of business acquisitions proper consideration to the fair value of the assets has been given as explained in the notes to the consolidated financial statements for the year ended December 31, 2003. Major overhaul and rebuilding expenditures are capitalized as property, plant and equipment only when the investment enhances the condition of an asset beyond its original condition.

Intangible assets including goodwill; certain costs directly related to the development, acquisition and implementation of information systems; and expenditures on acquired patents, trademarks, technology transfer and licenses are capitalized and amortized using the straight line method over their useful lives; the useful lives of Tenaris's intangible assets average 5 years. Research and development expenditure is recognized as expenses as incurred. Negative goodwill is recognized as income on a systematic basis over the remaining weighted average useful life of the identifiable acquired depreciable assets.

(2) Impairment

Circumstances affecting the recoverability of tangible and intangible assets and investments in other companies may change. If this happens, the recoverable amount of the relevant assets is estimated. The recoverable amount is determined as the higher of the asset's net selling price –when available- and the present value of the estimated future cash flows. If the recoverable amount of the asset has dropped below its carrying amount the asset is written down immediately to its recoverable amount.

No impairment provisions were recorded, other than the investment in Amazonia, as discussed in the Company's consolidated financial statements at December 31, 2003.

(3) Cash and cash equivalents, Other investments and Derivative Financial Instruments

Cash and cash equivalents and highly liquid short-term securities are carried at fair market value.

Under IAS 39 "Financial Instruments: Recognition and Measurement", investments have to be classified into the following categories: held-for-trading, held-to-maturity, originated loans and available-for-sale, depending on the purpose for which the investments were made. Investments that do not fulfill the specific requirements of IAS 39 for held-for-trading, held-to-maturity or originated loan categories have to be included in the residual "available-for-sale" category. All of Tenaris's investments, which include primarily deposits in trust funds and insurance companies, are currently classified as available-for-sale as defined by IFRS, despite the fact that they are not technically available for disposition according to the terms of the underlying contracts.

D Summary of accounting policies regarding specific asset and liability categories (Cont'd.)

(3) Cash and cash equivalents, Other investments and Derivative financial instruments (Cont'd.)

Trust funds comprise mainly financial resources placed by Siderca, Siat and Confab within trusts, the objective of which is exclusively to ensure that the financial needs for normal development of their operations are met. At March 31, 2004 the trustee has informed us that it had allocated USD 64.8 million of such funds to create guarantees within the scope of the trust agreement.

All purchases and sales of investments are recognized on the trade date, not significantly different from the settlement date, which is the date that Tenaris commits to purchase or sell the investment.

Subsequent to their acquisition, available-for-sale investments are carried at fair value. Realized and unrealized gains and losses arising from changes in the fair value in those investments are included in the income statement for the period in which they arise. Investments in companies for which fair values cannot be measured reliably are reported at cost.

Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently remeasured at fair value. Changes in the fair value of any derivative instruments are recognized immediately in the income statements as financial results.

(4) Inventories

Inventories are stated at the lower of cost and net realizable value as a whole. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overhead costs. Net realizable value is estimated collectively for inventories as the selling price in the ordinary course of business, less the costs of completion and selling expenses. Goods in transit at period end are valued at supplier invoice cost. An allowance for obsolescence or slow-moving inventory is made in relation to supplies and spare parts and based on the management's analysis of their aging, the capacity of such materials to be used based on their levels of preservation and maintenance and the potential obsolescence due to technological changes. An allowance for slow-moving inventory is made in relation to finished goods based on management's analysis of their aging.

(5) Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful accounts. The Company analyzes its trade accounts receivable on a regular basis and, when aware of a certain client's difficulty to meet its commitments to Tenaris, it impairs the amounts due by means of a charge to the provision for doubtful accounts. This provision is adjusted periodically based on management's analysis of their aging.

(6) Borrowings

Borrowings are recognized initially for an amount equal to the proceeds received net of transaction costs. In subsequent periods, borrowings are stated at amortized cost; any difference between proceeds and the redemption value is recognized in the income statement over the period of the borrowings.

(7) Income Taxes - Current and deferred

Under present Luxembourg law, so long as the Company maintains its status as a holding billionaire company, no income tax, withholding tax (including with respect to dividends), or capital gain tax is payable in Luxembourg by the Company. The current income tax charge is calculated on the basis of the tax laws in force in the countries where Tenaris's subsidiaries operate. Deferred income taxes are calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A more detailed description of temporary differences can be found in the Company's consolidated financial statements for the year ended December 31, 2003.

D Summary of accounting policies regarding specific asset and liability categories (Cont'd.)

(8) Employee-related liabilities

(a) Employees' statutory profit sharing

Under Mexican law, Tenaris's Mexican subsidiary companies are required to pay their employees an annual benefit calculated using a similar basis to the one used for the calculation of the income tax. Employees' statutory profit sharing is provided under the liability method. This provision amounts to USD 58.5 million at March 31, 2004 and USD 51.1 million at December 31, 2003. Temporary differences arise between the "statutory" bases of assets and liabilities used in the determination of the profit sharing and their carrying amounts in the financial statements.

(b) Employees' severance indemnity

This provision comprises the liability accrued on behalf of employees at Tenaris's Italian and Mexican subsidiaries at the balance sheet date in accordance with current legislation and the labor contracts in effect in the respective countries.

Employees' severance indemnity costs are assessed annually using the projected unit credit method: the cost of providing this obligation is charged to the income statement over the service lives of employees in accordance with the advice of the actuaries. This provision is measured at the present value of the estimated future cash outflows using applicable interest rates. This provision amounts to USD 53.2 million and USD 66.4 million at March 31, 2004 and December 31, 2003, respectively.

(c) Pension obligations

Certain Argentine Tenaris officers are covered by a defined benefit employee retirement plan designed to provide retirement, termination and other benefits to those officers.

Tenaris is accumulating assets for the ultimate payment of those benefits in the form of investments that carry time limitation for their redemption. The investments are neither part of a particular plan nor segregated from Tenaris's other assets. Due to these conditions, the plan is classified as "unfunded" under the IFRS definition.

Retirement costs are assessed using the projected unit credit method: the cost of providing retirement benefits is charged to the income statement over the service lives of employees based on actuarial calculations. This provision is measured at the present value of the estimated future cash outflows using applicable interest rates and amounts to USD 9.3 million and USD 8.6 million at March 31, 2004 and December 31, 2003, respectively. Actuarial gains and losses are recognized over the average remaining service lives of employees.

Benefits provided by the plan are in U.S. dollars, and are calculated based on a three-year or seven-year salary average (whichever is more favorable to the beneficiary) for those executives who have retired or were terminated before December 31, 2003. After this date, the benefits of the plan are calculated on a seven-year salary average.

(9) Provisions and Other liabilities

Provisions are accrued to reflect estimates of amounts due relating to expenses as they are incurred based on information available as of the date of preparation of the financial statements. Furthermore, Tenaris accrues liabilities when it is probable that future cost could be incurred and that cost can be reasonably estimated in relation to a contingent liability or potential claim, resulting from lawsuits and other proceedings.

E Revenue recognition

Sales are recognized as revenues when earned and realized or realizable. This includes satisfying the following criteria: the arrangement with the customer is evident, usually through the receipt of a purchase order; the sales price is fixed or determinable; delivery –as defined by the risk transfer provisions of the sales contracts- has occurred, which may include delivery to the customer storage facility at one of the Company's subsidiaries; and collectability is reasonably assured. Interest income is recognized on an effective yield basis.

F Earnings per share

Earnings per share are calculated by dividing the net income attributable to shareholders by the daily weighted average number of ordinary shares issued during the period.

Notes to the consolidated condensed interim financial statements

Index to the notes to the consolidated condensed interim financial statements

Notes to the consolidated condensed interim financial statements
(In the notes all amounts are shown in USD thousands, unless otherwise stated)

1 Segment information

Primary reporting format: business segments

	Seamless	Welded & Other Metallic Products	Energy	Other	Total
Three-month period ended March 31, 2004			(Unaudited)		
Net sales	673,815	66,388	103,923	15,220	859,346
Cost of sales	(455,694)	(53,610)	(100,569)	(10,584)	(620,457)
Gross profit	218,121	12,778	3,354	4,636	238,889
Depreciation and amortization	48,732	3,010	959	1,123	53,824
Three-month period ended March 31,2003					
Net sales	565,565	98,521	72,081	53,412	789,579
Cost of sales	(375,174)	(66,189)	(71,310)	(45,861)	(558,534)
Gross profit	190,391	32,332	771	7,551	231,045
Depreciation and amortization	43,564	2,008	1,133	1,162	47,867

Tenaris's main business segment is the manufacture of seamless steel pipes.

Secondary reporting format: geographical segments

	South America	Europe	North America	Middle East & Africa	Far East & Oceania	Total
Three-month period ended March 31, 2004			(Unaudited)			
Net sales	164,519	307,460	198,486	92,008	96,873	859,346
Depreciation and amortization	26,432	15,893	9,879	10	1,610	53,824
Three-month period ended March 31, 2003						
Net sales	189,557	226,371	182,792	90,801	100,058	789,579
Depreciation and amortization	28,752	11,914	5,811	3	1,387	47,867

Allocation of net sales is based on the customers' location. Allocation of depreciation and amortization is based on the related assets' location.

Although Tenaris's business is managed on a worldwide basis, the companies forming part of Tenaris operate in the five main geographical areas detailed above.

2 Cost of sales

	Three-month period ended March 31,	
	2004	2003
	(Unaudited)	
Raw materials, energy and consumables used and change in inventories	399,913	352,505
Services and fees	62,613	75,705
Labor cost	87,352	65,967
Depreciation of property, plant and equipment	46,302	39,490
Amortization of intangible assets	2,301	1,160
Maintenance expenses	19,180	12,042
Allowance for obsolescence	(1,123)	520
Taxes	655	1,150
Others	3,264	9,995
	620,457	**558,534**

3 Selling, general and administrative expenses

	Three-month period ended March 31,	
	2004	2003
	(Unaudited)	
Commissions, freights and other selling expenses	49,459	45,783
Labor cost	35,449	30,788
Services and fees	25,266	28,639
Taxes	11,635	9,422
Depreciation of property, plant and equipment	2,544	4,412
Amortization of intangible assets	2,677	2,805
Provisions for contingencies	1,275	1,356
Allowance for doubtful accounts	3,721	248
Others	7,792	9,545
	139,818	**132,998**

4 Financial income (expenses), net

	Three-month period ended March 31,	
	2004	2003
	(Unaudited)	
Interest expense	(8,693)	(7,591)
Interest income	3,095	2,265
Net foreign exchange transaction losses	(15,279)	(16,581)
Others	5,439	(784)
	(15,438)	**(22,691)**

5 Tax charge

	Three-month period ended March 31, 2004	Three-month period ended March 31, 2003
	(Unaudited)	
Current tax (a)	50,614	48,101
Deferred tax	(4,360)	(16,012)
Effect of currency translation on tax base (b)	(7,185)	(14,162)
	39,069	**17,927**

(a) Current tax amounts recorded in the first quarter of 2004 include the adjustments made to the preliminary provisions recorded at December 31, 2003 , corresponding to Income Tax Filings for the year 2003.

(b) Tenaris, using the liability method, recognizes a deferred income tax charge on temporary differences between the tax bases of its assets and their carrying amounts in the financial statements. By application of this method, Tenaris recognized gains and losses on deferred income tax due to the effect of the change in the value of the Argentine peso on the tax bases of the fixed assets of its Argentine subsidiaries.

6 Property, plant and equipment and Intangible assets, net

	Net Property, Plant and Equipment	Net Intangible Assets
	(Unaudited)	(Unaudited)
Three-month period ended March 31, 2004		
Opening net book amount	1,960,314	54,037
Translation differences	(15,528)	872
Additions	35,596	4,316
Disposals	(6,345)	(174)
Transfers	(244)	244
Depreciation/ Amortization charge	(48,846)	(4,978)
At March 31, 2004	**1,924,947**	**54,317**

7 Trade receivables

	At March 31, 2004	At December 31, 2003
	(Unaudited)	
Current accounts	700,889	605,119
Notes receivables	87,235	71,666
	788,124	676,785
Allowance for doubtful accounts	(27,323)	(24,003)
	760,801	**652,782**

8 Borrowings

	At March 31, 2004	At December 31, 2003
	(Unaudited)	
Non-current		
Bank borrowings	325,191	299,965
Debentures	-	65,375
Finance lease liabilities	8,596	9,439
	333,787	**374,779**
Current		
Bank borrowings	343,082	273,607
Bank overdrafts	15,628	9,804
Debentures and other loans	222,505	171,062
Finance lease liabilities	4,743	5,266
Costs for issue of debt	(859)	(867)
	585,099	**458,872**
Total borrowings	**918,886**	**833,651**

9 Derivative financial instruments

The net fair values of derivative financial instruments at the balance sheet date, in accordance with IAS 39, were:

Net fair value of derivative financial instruments	**At March 31, 2004**	**At December 31, 2003**
	(Unaudited)	
Contracts with positive fair values:		
Forward foreign exchange contracts	2,208	2,947
Commodities contracts	1,481	1,197
Contracts with negative fair values:		
Interest rate swaps contracts	(5,023)	(3,505)
Forward foreign exchange contracts	(3,041)	(2,937)
Commodities contracts	(2,098)	(1,592)

10 Contingencies, commitments and restrictions to the distribution of profits

Tenaris is involved in litigation arising from time to time in the ordinary course of business (exception made of the litigation with the consortium led by BHP –see (i) below–). Based on management's assessment and the advice of legal counsel, it is not anticipated that the ultimate resolution of existing litigation will result in amounts in excess of recorded provisions that would be material to Tenaris's consolidated financial position or income statement.

(i) Claim against Dalmine

On December 30, 2003, Dalmine and a consortium led by BHP Billiton ("BHP") reached a full and final settlement to put an end to a litigation commenced in 1998. According to the terms of the settlement, a total of GBP 108.0 million was agreed as compensation to the consortium, inclusive of expenses. The final settlement set forth a three-year instalments payment scheme for the balance amount agreed net of advances previously made . The three yearly installments of GBP30.3 million, GBP30.4 million and GBP30.4 million, are due in January 2004, December 2004 and December 2005, respectively. A Libor + 1% interest rate applies to the outstanding amounts. During January 2004 the first such installment was paid.

10 Contingencies, commitments and restrictions to the distribution of profits (Cont'd.)

(i) Claim against Dalmine (Cont'd.)

The pipe that has been the subject of the litigation with BHP was manufactured and sold, and the tort alleged by BHP took place, prior to the privatization of Dalmine. Techint Investments Netherlands BV ("Tenet") –the Tenaris subsidiary party to the contract pursuant to which Dalmine was privatized–has commenced arbitration proceedings against Fintecna S.p.A.-which controlled Dalmine prior to its privatization- to compel it to indemnify Dalmine for any amounts Dalmine paid or payable to BHP. Fintecna has denied that it has any contractual obligation to indemnify, asserting that the indemnification claim is time-barred under the terms of the privatization contract and, in any event, subject to a cap of EUR13 million. Tenet disputes this assertion. No assurances can be given as to when the arbitration proceedings currently in progress will conclude or that Finctecna will be required to reimburse any amounts paid or payable to BHP. For additional information regarding the litigation with BHP, refer to the Company's consolidated financial statements at December 31, 2003.

(ii) Consorcio Siderurgia Amazonia, Ltd.

The financial restructuring of Siderúrgica del Orinoco CA ("Sidor") and Consorcio Siderúrgico Amazonia, Ltd. ("Amazonia") concluded during 2003 ("2003 Restructuring") entailed the termination of certain guarantees and commitments to further finance Amazonia and Sidor that Tenaris had entered into as a result of the privatization of Sidor and previous restructuring agreements. The restructuring agreements contemplate, however, certain continuing obligations and restrictions to protect the claims held by the financial creditors of Sidor. These obligations and restrictions include pledges over all of Amazonia's existing shares and shares of Sidor held in its possession, that mature in the third quarter of 2005.

During 2003, as part of the 2003 Restructuring, Tenaris obtained a 24.4% equity stake in Ylopa Serviços de Consultadoria Ltda ("Ylopa"), a special purpose vehicle incorporated in Madeira, created to support Sidor and Amazonia an associated company of Tenaris- in their financial restructuring. The acquisition was made by means of an aggregate cash contribution of USD 32.9 million, primarily in the form of subordinated convertible debt. As a result of the consummation of the 2003 Restructuring, Ylopa (a) received new debt instruments of Amazonia, convertible into 67.4% of the common stock of Amazonia at Ylopa's choice, and (b) became Sidor's creditor (in a "Participation Account Agreement") of a non interest bearing loan, payable if and when Sidor reaches certain financial goals defined as "Excess Cash".

The 2003 Restructuring set forth a mechanism for Sidor to repay its debts under the "Participation Account Agreement" whereby Ylopa is entitled to receive its percentage on the participation of Sidor's Excess Cash (determined in accordance with a specific formula). Sidor has been distributing Excess Cash to Ylopa on a semiannual basis starting October 2003.

(iii) Tax claims

Siderca

On December 18, 2000, the Argentine tax authorities notified Siderca of an income tax assessment related to the conversion of tax loss carry-forwards into Debt Consolidation Bonds under Argentine Law No. 24,073. The adjustments proposed by the tax authorities represent an estimated contingency of ARP 54.4 million (approximately USD 19.0 million) at March 31, 2004 in taxes and penalties. On the basis of information from Siderca's tax advisors, Tenaris believes that the ultimate resolution of the matter will not result in a material obligation. Accordingly, no provision was recorded in the financial statements.

10 Contingencies, commitments and restrictions to the distribution of profits (Cont'd.)

(iii) Tax claims (Cont'd.)

Argentine subsidiaries

In their respective calculations of income tax liabilities for the year ended December 31, 2002, Siderca and Siat, two subsidiaries of Tenaris domiciled in Argentina used the inflation adjustment procedure set forth in Title VI of the Argentine Income Tax Law. The application of such procedure, however, has been suspended since March 1992, pursuant to article 39 of Law 24.073, which was passed in the context of price stability prompted by the introduction of the convertibility regime that pegged the peso to the United States dollar at a fixed rate of ARP1=USD1.

Both subsidiaries have started legal proceedings objecting to the constitutional grounds for the abovementioned suspension, on the ground that compliance with it would render artificial gains arising from the impact of inflation on monetary positions during 2002 fully taxable. Moreover and in order to protect themselves from potential actions by the fiscal authority aimed at demanding collection of the resulting differences, the subsidiaries have also obtained an injunction that prevents the tax authorities from summarily executing their claims while resolution of the proceedings is pending. The injunction has been appealed by the Argentine Tax Authority before the Federal Court of Appeals. Irrespective of the final result of the legal proceedings under way, the Company maintains a reserve for the full potential tax liability on the alleged artificial gains plus interest according to regulation in force, but excluding any other potential punitive charges. At March 31, 2004 the referred contingent reserve totaled ARP70.7 million (approximately USD24.7 million).

(iv) Other proceedings

Dalmine is currently subject to two civil proceedings and a consolidated criminal proceeding before the Court of Bergamo, Italy, for work-related injuries arising from the use of asbestos in its manufacturing processes from 1960 to 1980. Of the 21 cases originally involved in the consolidated criminal proceeding, 20 have been settled.

In addition to the civil and criminal cases, another 29 asbestos related out-of-court claims have been forwarded to Dalmine.

Dalmine estimates that its potential liability in connection with the claims not yet settled or covered by insurance is approximately EUR8.8 million (USD 10.7 million).

(v) Commitments

The following are the main off-balance sheet commitments:

(a) Tenaris entered into an off-take contract with Complejo Siderúrgico de Guayana C.A. ("Comsigua") to purchase on a take-or-pay basis 75,000 tons of hot briquetted iron, or HBI, annually for twenty years beginning in April 1998 with an option to terminate the contract at any time after the tenth year upon one year's notice. Pursuant to this off-take contract, Tenaris would be required to purchase the HBI at a formula price reflecting Comsigua's production costs during the first eight contract years; thereafter, it would purchase the HBI at a slight discount to market price.

    The agreements among the parties provide that, if during the eight-year period the average market price is lower than the formula price paid during such period, Tenaris would be entitled to a reimbursement of the difference plus interest, payable after the project financing and other specific credits are repaid. In addition, under the shareholders' agreements, Tenaris has the option to purchase on an annual basis up to a further 80,000 tons of HBI produced by Comsigua at market prices. Under its off-take contract with Comsigua, as a result of weak market prices for HBI, Tenaris paid –on average- higher-than-market prices for its HBI and according to the original contract accumulated a credit. During the first quarter of 2004, Tenaris paid lower-than-market prices for its HBI purchases, which resulted in a decrease to the previously recorded amount. At March 31, 2004, Tenaris credit with the off-taker amounted to approximately USD11.9 million., which were completely offset by a provision.

10 Contingencies, commitments and restrictions to the distribution of profits (Cont'd.)

(v) Commitments (Cont'd.)

In connection with Tenaris's original 6.9% equity interest in Comsigua, Tenaris paid USD8.0 million and agreed to cover its share of Comsigua's cash operating and debt service shortfalls. In addition, Tenaris pledged its shares in Comsigua and provided a proportional guarantee of USD11.7 million (USD4.0 million outstanding as of March 31, 2004) in support of the USD156 million (USD53.6 million outstanding as of March 31, 2004) project financing loan made by the International Finance Corporation, or IFC, to Comsigua. Tenaris has been also required to pay an aggregate of USD 1.5 million, representing its share of a shortfall of USD14.7 million payable by Comsigua under the IFC loan and additional operating shortfalls of USD5.3 million. Comsigua's financial condition was adversely affected by the consistently weak international market conditions for HBI since its start-up in 1998. Market conditions improved during 2003 and therefore, Tenaris has no longer been required to pay additional amounts as a sponsor in Comsigua. If current conditions prevail at similar levels, Tenaris would not be required to make additional proportional payments in respect of its participation in Comsigua and its purchases of HBI under the off-take contract would be paid in lower-than-market prices.

(b) In August 2001, Dalmine Energie S.p.A. signed a ten year agreement with Eni S.p.A. Gas & Power Division for the purchase of natural gas with certain take or pay conditions until October 1st, 2011. In August 2003 Dalmine Energie S.p.A. received confirmation from Snam Rete Gas, the transportation company, of the yearly allocation of the necessary capacity on the international connection infrastructure until October 1st 2010. The outstanding value of the contract at March 31, 2004 is approximately EUR553.6 million (USD675.1 million) taking into consideration prices prevailing as of the time of the confirmation. In due course, Dalmine Energie S.p.A will be requesting Snam Rete Gas, the necessary capacity for the last year of purchase contract. Such capacity is allocated following regulations enacted by the Italian energy regulatory authority taking into consideration all allocation capacity requests.

(c) Under a lease agreement between Gade Srl (Italy) and Dalmine, executed in 2001, relating to a building site in Sabbio Bergamasco used by Dalmine's former subsidiary Tad Commerciale, Dalmine is obligated to bid in the auction for the purchase of a building from Gade for a minimum amount of EUR8.3 million (USD10.1 million). The notice of the auction, according to the contract, was not to take place before January 1, 2003. Up to the date of these financial statements, the auction was not yet announced.

(d) On October 24, 2003, Tenaris subsidiaries Siderca and Generadora del Paraná S.A. ("Generadora"), together with Siderar, a related party to Tenaris, entered into a joint gas purchase agreement with Repsol-YPF. Under the agreement, which incorporates certain take-or-pay conditions, Tenaris commited to purchase up to 800 million cubic meters of gas during the life of the four-year contract, expiring at the end of 2006 at a price to be negotiated by the parties on a yearly basis. In December 2003, Generadora transferred all of its assets and the rights originated in the purchase agreement with YPF to Siderca. Considering its Campana facility and the facilities received from Generadora, Siderca has an annual estimated gas consumption of 800 million cubic meters. Tenaris's share of the outstanding value of the contract resulting from the take-or-pay conditions totals USD 3.2 million.

10 Contingencies, commitments and restrictions to the distribution of profits (Cont'd.)

(vi) Restrictions to the distribution of profits

Under Luxembourg law, at least 5% of the net income per year calculated in accordance with Luxembourg law and regulations must be allocated to the creation of a reserve until such reserve has reached to an amount equal to 10% of the share capital. At March 31, 2004 the Company has created this reserve in full.

Shareholders' equity at March 31, 2004 under Luxembourg law and regulations comprises the following captions (amounts in USD thousand):

	Thousands of USD
Share capital	1,180,537
Legal reserve	118,054
Share premium	609,733
Other distributable reserve	96,637
Retained earnings including net income for the three month period ended March 31, 2004	253,739
Total shareholders equity according to Luxembourg law	2,258,700

Dividends may be paid by Tenaris to the extent distributable retained earnings and distributable reserve calculated in accordance with Luxembourg law and regulations exist.

At March 31, 2004, the distributable reserve and retained earnings of Tenaris under Luxembourg law totalled USD350.4 million – as detailed below- and were higher than the consolidated retained earnings of the Company, calculated under IFRS. On March 2nd, 2004, Tenaris announced that its board of directors will propose, for the approval of the annual general shareholders' meeting to be held on May 26, 2004, the payment of a dividend of USD 0.114 per share (approximately USD 135 million).

	Thousands of USD
Distributable reserve and retained earnings at December 31, 2003 under Luxembourg law	298,035
Dividends received	50,912
Other income and expenses for the three-month period ended March 31, 2004	1,347
Increase in reserve due to capital increase (see Note 11 (b))	82
Distributable reserve and retained earnings at March 31, 2004 under Luxembourg law	350,376

11 2002 exchange offer and other events with impact on minority interest

(a) 2002 exchange offer

On October 18, 2002, Sidertubes –63.0% shareholder of Tenaris- contributed all of its assets to Tenaris in exchange for shares of its common stock. The assets that Sidertubes contributed included the shares and voting rights that it held directly in Siderca, Tamsa, Dalmine, Tenaris Global Services S.A. and Invertub S.A. Siderca held additional participations in Tamsa, Dalmine, Metalmecánica and Metalcentro.

During 2002, Tenaris successfully completed an offer to exchange shares and ADSs of its common stock for all outstanding Class A ordinary shares and ADSs of Siderca, all outstanding common shares and ADSs of Tamsa and all outstanding ordinary shares of Dalmine (“the 2002 Exchange Offer”). These acquisitions were accounted for under the purchase method and the acquisition costs, which totalled USD 811.3 million gave rise to a net negative goodwill of USD5.2 million.

(b) Subsequent acquisitions and residual offers

Acquisition of Remaining Minority Interest in Tamsa and Capital Increase

On September 15, 2003 Tenaris concluded an exchange offer in the United States for shares and ADSs of Tamsa. As per the commitment assumed by Tenaris at the time of the 2002 Exchange Offer, the exchange ratio used was equal to that of the 2002 Exchange Offer. Thus, in exchange for the Tamsa shares received, Tenaris issued 19,586,870 new shares of its common stock for USD 51,611 thousand The acquisition cost was determined on the bases of the price of Tenaris’s shares on September 12, 2003.

For the 356,392 shares of Tamsa’s common stock outstanding in the Mexican market, Tenaris and Sidertubes established a fiduciary account with Banamex, in which Sidertubes deposited the necessary number of Tenaris’s shares to provide for the exchange of the remaining interests in Tamsa. According to the terms of the fiduciary account, holders of Tamsa’s common stock were able to exchange their shares under the escrow arrangement during a six-month period. At the end of the six-month exchange offer period, investors had exchanged 235,512 shares of Tamsa for 249,166 shares of Tenaris. As a result, Tenaris was indebted to Sidertubes for 249,166 shares with a market value of USD0.8 million.

On February 13, 2004, Tenaris increased its capital by issuing 249,166 new common shares, which were transferred to Sidertubes to pay off its outstanding loan. The capital increase was allocated USD 0.249 million to share capital, USD 0.025 million to legal reserve, USD 0.464 million to a share premium and USD 0.082 million to other distributable reserve, in accordance with Luxemburg law.

As of March 31, 2004, Tenaris held, directly or indirectly, more than 99.9% of the common stock of Tamsa.

Subsequent acquisitions of Dalmine Shareholding

Pursuant to purchases made in the open market up to March 10, 2003, Tenaris held, directly or indirectly, 90.0003% of Dalmine’s common stock. On July 11, 2003, Tenaris concluded a cash offer for the remaining minority interest in Dalmine and announced that it held directly or indirectly, 96.8% of the shares of Dalmine. At March 31, 2004, as a result of shares accepted and effectively paid during the tender offer as well as shares purchased in subsequent transactions, Tenaris held directly or indirectly 98.8% of the shares of Dalmine.

Acquisition of Remaining Minority Interest in Siderca

On April 3, 2003 the Argentine securities regulator approved Tenaris’s proposal to acquire the remaining minority interest in Siderca, which amounted to 0.89% of the shares of such company. As a result of Tenaris’s gaining beneficial control of 100% of the common stock of Siderca this company was effectively delisted and its ADR program terminated.

12 Business and other acquisitions

As explained in Note 11 (b), during the three-month period ended March 31, 2004 Tenaris acquired 0.03 % of Tamsa and 0.002% of Dalmine, for considerations of USD 0.3 million –in kind as noted in Note 11 (b)- and USD 0.5 million, respectively.

On January 31, 2004 Tenaris Investments Limited was incorporated in Ireland to assist the financing activities of the Company and its other subsidiaries; on that date, Tenaris underwrote all of the common shares of the new company and in March 2004, it contributed USD 10,000 to its capital.

Additionally, on February 2, 2004, Tenaris completed the purchase of the land and manufacturing facilities that were previously leased by its Canadian operating subsidiary. The assets were acquired from Algoma Steel Inc. for the price of approximately USD 9.6 million, plus transaction costs.

On March 19, 2004, Tenaris signed a letter of intent with a private investor group, which may lead to Tenaris obtaining a controlling interest in S.C. Silcotub S.A., Zalau, the leading Romanian producer of small diameter seamless pipes for OCTG and other applications that has an annual capaicity of 180,000 tons of seamless pipes. Its facilities include a continuous mandrel mill, finishing facilities and a cold-drawing plant.

13 Subsequent events

On April 27, 2004 Tenaris and Sidor signed an agreement with Posven, a Venezuelan company in which Posco of Korea has a 60% shareholding, for the sale and purchase of its assets –principally an industrial facility for the production of pre-reduced hot briquetted iron, or HBI, located in Ciudad Guayana, Venezuela- for a price of USD 120 million. The acquisition, will be effected by a newly-formed company, of which Tenaris will hold 55% and Sidor 45%, remains subject to a number of closing conditions.

The facility has a nominal annual design capacity of 1.5 million tons of HBI and has been shut down since 2001. This investment, which complements a previous investment in the Comsigua HBI plant described in Note 10 v (a), will allow Tenaris to secure a further low-cost source of high quality ferrows raw material.

14 Related party transactions

The following transactions were carried out with related parties:

	Three-month period ended March,	
	2004	**2003**
	(Unaudited)	
(i) Transactions		
(a) Sales of goods and services		
Sales of goods	12,384	22,475
Sales of services	4,280	1,856
	16,664	24,331
(b) Purchases of goods and services		
Purchases of goods	11,205	29,337
Purchases of services	8,340	15,617
	19,545	44,954

	At March 31,	At December 31,
	2004	**2003**
	(Unaudited)	
(ii) Period-end balances		
(a) Arising from sales/purchases of goods/services		
Receivables from related parties	45,823	42,116
Payables to related parties	(46,237)	(37,219)
	(1,414)	4,897
(b) Cash and cash equivalents		
Time deposits	661	420
(c) Other balances		
Trust fund	118,394	118,087
Loan to Ylopa	34,765	33,508
	153,159	151,595
(d) Financial debt		
Borrowings and overdrafts	(5,248)	(5,716)
Borrowings from trust fund	(1,789)	(1,789)
	(7,037)	(7,505)

15 Principal subsidiaries

The following is a list of Tenaris's subsidiaries and its direct or indirect percentage of ownership of each company at March 31, 2004 and 2003 is disclosed.

Company	Country of Organization	Main activity	Percentage of ownership at March 31, 2004	Percentage of ownership at March 31, 2003
Algoma Tubes Inc.	Canada	Manufacturing of seamless steel pipes	100%	98%
Confab Industrial S.A. and subsidiaries	Brazil	Manufacturing of welded steel pipes and capital goods	39%	39%
Dalmine Holding B.V. and subsidiaries	Netherlands	Holding company	99%	90%
Dalmine S.p.A.	Italy	Manufacturing of seamless steel pipes	99%	90%
Empresas Riga S.A. de C.V.	Mexico	Manufacturing of welded fittings for seamless steel pipes	100%	94%
Exiros S.A. (b)	Uruguay	Procurement services for industrial companies	100%	-
Information Systems and Technologies N.V. and subsidiaries	Netherlands	Software development and maintenance	75%	71%
Inmobiliaria Tamsa S.A. de C.V.	Mexico	Leasing of real estate	100%	94%
Insirger S.A. and subsidiaries (a)	Argentina	Electric power generation	100%	99%
Invertub S.A. and subsidiaries	Argentina	Holding of investments	100%	100%
Lomond Holdings B.V. and subsidiaries	Netherlands	Procurement services for industrial companies	100%	71%
Metalcentro S.A.	Argentina	Manufacturing of pipe-end protectors and lateral impact tubes	100%	99%
Metalmecánica S.A.	Argentina	Manufacturing steel products for oil extraction	100%	99%
NKK Tubes K.K.	Japan	Manufacturing of seamless steel pipes	51%	51%
Scrapservice S.A.	Argentina	Processing of scrap	75%	74%
Siat S.A.	Argentina	Manufacturing of welded steel pipes	82%	81%
Siderca International A.p.S.	Denmark	Holding company	100%	99%
Siderca S.A.I.C.	Argentina	Manufacturing of seamless steel pipes	100%	99%
Sidtam Limited	B.V.I.	Holding company	100%	97%
SO.PAR.FI Dalmine Holding S.A.	Luxembourg	Holding company	99%	90%
Sociedad Industrial Puntana S.A. (a)	Argentina	Manufacturing of steel products	100%	-

15 Principal subsidiaries (Cont'd.)

Company	Country of Organization	Main activity	Percentage of ownership at March 31, 2004	2003
Socominter de Bolivia S.R.L.	Bolivia	Marketing of steel products	100%	100%
Socominter S.A.	Venezuela	Marketing of steel products	100%	100%
Socominter Ltda.	Chile	Marketing of steel products	100%	100%
Tenaris Global Services (Panama) S.A.	Panama	Marketing of steel products	100%	100%
Tamsider S.A. de C.V. and subsidiaries	Mexico	Promotion and organization of steel-related companies	100%	94%
Tamtrade S.A.de C.V.	Mexico	Marketing of steel products	100%	94%
Techint Investment Netherlands B.V.	Netherlands	Holding company	100%	99%
Tenaris Global Services Norway AS	Norway	Marketing of steel products	100%	100%
Tenaris Autopartes S.A. de C.V. (b)	México	Manufacturing of supplies for the automotive industry	100%	-
Tenaris Connections A.G. and subsidiaries	Liechtenstein	Ownership and licensing of steel technology	100%	94%
Tenaris Financial Services S.A. (b)	Uruguay	Financial Services	100%	-
Tenaris Global Services S.A.	Uruguay	Holding of investments	100%	100%
Tenaris Global Services (Canada) Inc.	Canada	Marketing of steel products	100%	100%
Tenaris Global Services (U.S.A.) Corporation	U.S.A.	Marketing of steel products	100%	100%
Tenaris Global Services (UK) Ltd	United Kingdom	Marketing of steel products	100%	100%
Tenaris Global Services (Japan) K.K. (previously DST Japan K.K.)	Japan	Marketing of steel products	100%	100%
Tenaris Global Services B.V.	Netherlands	Sales agent of steel products	100%	100%
Tenaris Global Services Far East Pte. Ltd.	Singapore	Marketing of steel products	100%	100%
Tenaris Global Services Korea (b)	Korea	Marketing of steel products	100%	-
Tenaris Global Services LLC	U.S.A.	Sales agent of steel products	100%	100%
Tenaris Global Services (B.V.I.) Ltd.	B.V.I.	Holding company	100%	100%
Tenaris West Africa Ltd.	United Kingdom	Finishing of steel pipes	100%	98%
Texas Pipe Threaders Co.	U.S.A.	Finishing and marketing of steel pipes	100%	99%

15 Principal subsidiaries (Cont'd.)

Company	Country of Organization	Main activity	Percentage of ownership at March 31,	
			2004	2003
Tubos de Acero de México S.A.	Mexico	Manufacturing of seamless steel pipes	100%	94%
Tavsa, Tubos de Acero de Venezuela S.A.	Venezuela	Manufacturing of seamless steel pipes	70%	66%
Tubular DST Nigeria Ltd.	Nigeria	Marketing of steel products	100%	100%
Tenaris Global Services Ecuador S.A. (b)	Ecuador	Marketing of steel products	100%	-
Tenaris Investments Ltd. (c)	Ireland	Holding company	100%	-

(a) Acquired during 2003
(b) Incorporated during 2003
(c) Incorporated during 2004

Tenaris holds 99% of the voting shares of Confab Industrial S.A. and has, directly or indirectly, the majority of voting rights in all of its subsidiaries.

Carlos Condorelli
Chief Financial Officer