TENARIS S.A.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2006

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CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT

(all amounts in thousands of U.S. dollars, unless otherwise stated)	Notes	Three-month period ended March 31, 2006	Three-month period ended March 31, 2005
		(Unaudited)	
Net sales	**2**	1,783,152	1,452,927
Cost of sales	**3**	(972,492)	(865,128)
Gross profit		**810,660**	**587,799**
Selling, general and administrative expenses	**4**	(217,884)	(185,083)
Other operating income (expenses), net		8,130	2,967
Operating income		**600,906**	**405,683**
Financial income (expense), net	**5**	10,596	(41,807)
Income before equity in earnings of associated companies and income tax		**611,502**	**363,876**
Equity in earnings of associated companies		21,521	30,163
Income before income tax		**633,023**	**394,039**
Income tax		(191,333)	(114,069)
Income for the period		**441,690**	**279,970**
Attributable to:			
Equity holders of the Company		419,688	264,234
Minority interest		22,002	15,736
		441,690	279,970
Earnings per share attributable to the equity holders of the Company during the period			
Weighted average number of ordinary shares in issue (thousands)		1,180,537	1,180,537
Earnings per share (U.S. dollars per share)		0.36	0.22
Earnings per ADS (U.S. dollars per ADS)		0.71	0.45

The ratio of ordinary shares per American Depositary Shares (ADSs) was changed from a ratio of one ADS equal to ten ordinary shares to a new ratio of one ADS equal to two ordinary shares. The implementation date for this change was April 26, 2006, for shareholders of record at April 17, 2006. Earnings per ADS reflected above are adjusted for this change in the conversion ratio.

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of the Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2005.

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

(all amounts in thousands of U.S. dollars)	Notes	At March 31, 2006 (Unaudited)		At December 31, 2005	
ASSETS					
Non-current assets					
Property, plant and equipment, net	**6**	2,275,130		2,230,038	
Intangible assets, net	**6**	159,747		159,099	
Investments in associated companies		341,446		257,234	
Other investments		25,579		25,647	
Deferred tax assets		212,087		194,874	
Receivables		32,276	3,046,265	65,852	2,932,744
Current assets					
Inventories		1,491,632		1,376,113	
Receivables and prepayments		155,661		143,282	
Current tax assets		121,138		102,455	
Trade receivables		1,289,780		1,324,171	
Other investments		297,557		119,907	
Cash and cash equivalents		910,991	4,266,759	707,356	3,773,284
Total assets			7,313,024		6,706,028
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital		1,180,537		1,180,537	
Legal reserves		118,054		118,054	
Share premium		609,733		609,733	
Currency translation adjustments		(54,818)		(59,743)	
Other reserves		30,801		2,718	
Retained earnings		2,076,191	3,960,498	1,656,503	3,507,802
Minority interest			295,470		268,071
Total equity			4,255,968		3,775,873
LIABILITIES					
Non-current liabilities					
Borrowings		639,129		678,112	
Deferred tax liabilities		359,371		353,395	
Other liabilities		157,492		154,378	
Provisions		45,074		43,964	
Trade payables		707	1,201,773	1,205	1,231,054
Current liabilities					
Borrowings		329,703		332,180	
Current tax liabilities		517,216		452,534	
Other liabilities		159,190		138,875	
Provisions		36,566		36,945	
Customer advances		129,291		113,243	
Trade payables		683,317	1,855,283	625,324	1,699,101
Total liabilities			3,057,056		2,930,155
Total equity and liabilities			7,313,024		6,706,028

Contingencies, commitments and restrictions to the distribution of profits are disclosed in Note 7.

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(all amounts in thousands of U.S. dollars)

	Attributable to equity holders of the Company							
	Share Capital	Legal Reserves	Share Premium	Other Reserves	Currency translation adjustment	Retained Earnings (*)	Minority Interest	Total
								(Unaudited)
Balance at January 1, 2006	1,180,537	118,054	609,733	2,718	(59,743)	1,656,503	268,071	3,775,873
Currency translation differences	-	-	-	-	4,925		13,699	18,624
Change in equity reserves (see Notes 1 and 8)				28,083				28,083
Acquisition of minority interest	-	-	-				(721)	(721)
Dividends paid in cash	-	-	-				(7,581)	(7,581)
Income for the period	-	-	-	-		419,688	22,002	441,690
Balance at March 31, 2006	1,180,537	118,054	609,733	30,801	(54,818)	2,076,191	295,470	4,255,968

	Attributable to equity holders of the Company							
	Share Capital	Legal Reserves	Share Premium	Other Distributable Reserve	Currency translation adjustments	Retained Earnings	Minority Interest	Total
								(Unaudited)
Balance at January 1, 2005	1,180,537	118,054	609,733	82	(30,020)	617,538	165,271	2,661,195
Effect of adopting IFRS 3 (see Note 1)	-	-	-	-	-	110,775	-	110,775
Adjusted balance at January 1, 2005	1,180,537	118,054	609,733	82	(30,020)	728,313	165,271	2,771,970
Currency translation differences	-	-	-	-	(41,106)	-	(2,586)	(43,692)
Acquisition of minority interest	-	-	-	-	-	-	(38)	(38)
Income for the period	-	-	-	-	-	264,234	15,736	279,970
Balance at March 31, 2005	1,180,537	118,054	609,733	82	(71,126)	992,547	178,383	3,008,210

(*) Retained Earnings calculated according to Luxembourg Law are disclosed in Note 7 *(ii)*.

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CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

	Three-month period ended March 31,	
(all amounts in thousands of U.S. dollars)	**2006**	**2005**
	(Unaudited)	
Cash flows from operating activities		
Income for the period	441,690	279,970
Adjustments for:		
Depreciation and amortization	54,675	51,977
Income tax accruals less payments	83,458	37,478
Equity in earnings of associated companies	(21,521)	(30,163)
Interest accruals less payments, net	5,292	2,344
Income from disposal of Investment	(6,933)	-
Changes in provisions	731	(4,285)
Proceeds from Fintecna arbitration award net of BHP settlement	-	66,594
Changes in working capital	(24,257)	(209,878)
Other, including currency translation adjustment	10,947	(11,344)
Net cash provided by operating activities	**544,082**	**182,693**
Cash flows from investing activities		
Capital expenditures	(69,529)	(47,316)
Acquisitions of subsidiaries (see Note 8)	(29,809)	(38)
Proceeds from disposal of property, plant and equipment and intangible assets	1,820	1,442
Dividends and distributions received from associated companies	-	19,520
Changes in restricted bank deposits	648	(27,680)
Reimbursement from trust funds	-	119,666
Investments in short terms securities	(177,650)	-
Net cash (used in) provided by investing activities	**(274,520)**	**65,594**
Cash flows from financing activities		
Dividends paid to minority interest in subsidiaries	(7,581)	-
Proceeds from borrowings	101,085	398,269
Repayments of borrowings	(146,447)	(516,422)
Net cash (used in) provided by financing activities	**(52,943)**	**(118,153)**
Increase in cash and cash equivalents	**216,619**	**130,134**
Movement in cash and cash equivalents		
At beginning of the period	672,437	293,824
Effect of exchange rate changes	(1,834)	(298)
Increase in cash and cash equivalents	216,619	130,134
At March 31,	**887,222**	**423,660**

Cash and cash equivalents	At March 31,	
	2006	**2005**
Cash and bank deposits	910,991	477,106
Bank overdrafts	(22,369)	(12,266)
Restricted bank deposits	(1,400)	(41,180)
	887,222	**423,660**

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(In the notes all amounts are shown in U.S. dollars, unless otherwise stated)

1 General information and basis of presentation

Tenaris S.A. (the "Company" or "Tenaris"), a Luxembourg corporation (societé anonyme holding), was incorporated on December 17, 2001 as a holding company for investments in steel pipe manufacturing and distribution companies. The Company consolidates its subsidiary companies, as detailed in Note 31 to the audited Consolidated Financial Statements for the year ended December 31, 2005, and modified as discussed in Note 8 to these consolidated condensed interim financial statements.

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 these consolidated condensed interim financial statements are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2005. These consolidated condensed interim financial statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2005, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of consolidated condensed interim financial statements in conformity with IFRS requires management to make certain accounting estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet dates, and also the reported amounts of revenues and expenses for the reported periods. Actual results may differ from these estimates.

Material intercompany transactions and balances between Tenaris subsidiaries have been eliminated in consolidation. However, some financial gains and losses do arise from intercompany transactions because certain subsidiaries use their respective local currencies as their functional currency for accounting purposes. Such gains and losses are included in the consolidated income statement under Financial income (expense), net.

The Company applies hedge accounting treatment for certain qualifying financial instruments. These transactions are classified as cash flow hedges (mainly currency forward contracts on highly probable forecast transactions and interest rate swaps). The effective portion of the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized in the income statement. The fair value of the Company's derivative financial instruments (asset or liability) is reflected on the Balance Sheet.

For transactions designated and qualifying for hedge accounting, the Company documents at the time of designation of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives. The Company also documents its assessment at hedge designation and at each period end whether the derivatives that are used in hedging transactions are expected to be effective in offsetting changes in cash flows of hedged items. At March 31, 2006, the effective portion of designated cash flow hedges amounts to $0.4 million and is included in Other reserves in equity.

Upon the adoption of IFRS 3, which was adopted together with the revised IAS 38, "Intangible Assets", and IAS 36, "Impairment of Assets", previously accumulated negative goodwill is required to be derecognized through an adjustment to retained earnings. The derecognition of negative goodwill in this manner resulted in an increase of $110.8 million in the beginning balance of the Company's equity at January 1, 2005.

These consolidated condensed interim financial statements were approved for issue by the Tenaris Board of Directors on May 2, 2006.

2 Segment information

Primary reporting format: business segments

	Seamless	Welded & Other Metallic Products	Energy	Other	Total
	(all amounts in thousands of U.S. dollars)				
Three-month period ended March 31, 2006			(Unaudited)		
Net sales	1,440,969	114,596	161,622	65,965	1,783,152
Cost of sales	(693,879)	(75,525)	(156,491)	(46,597)	(972,492)
Gross profit	747,090	39,071	5,131	19,368	810,660
Depreciation and amortization	46,831	4,547	433	2,864	54,675
Three-month period ended March 31, 2005					
Net sales	1,105,252	160,434	143,972	43,269	1,452,927
Cost of sales	(601,517)	(101,631)	(137,484)	(24,496)	(865,128)
Gross profit	503,735	58,803	6,488	18,773	587,799
Depreciation and amortization	44,363	3,622	799	3,193	51,977

Secondary reporting format: geographical segments

	South America	Europe	North America	Middle East & Africa	Far East & Oceania	Total
	(all amounts in thousands of U.S. dollars)					
Three-month period ended March 31, 2006				(Unaudited)		
Net sales	343,374	467,813	467,599	331,070	173,296	1,783,152
Depreciation and amortization	22,510	15,049	15,422	209	1,485	54,675
Three-month period ended March 31, 2005						
Net sales	354,590	405,743	414,058	146,623	131,913	1,452,927
Depreciation and amortization	21,083	17,781	11,477	11	1,625	51,977

Allocation of net sales to geographical segments is based on customer location. Allocation of depreciation and amortization is based on the geographical location of the underlying assets.

3 Cost of sales

(all amounts in thousands of U.S. dollars)	Three-month period ended March 31, 2006	2005
	(Unaudited)	
Inventories at the beginning of the period	**1,376,113**	**1,269,470**
Plus: Charges of the period		
Raw materials, energy, consumables and other	807,014	706,519
Services and fees	84,348	73,495
Labor cost	108,987	99,060
Depreciation of property, plant and equipment	47,740	44,812
Amortization of intangible assets	1,130	1,711
Maintenance expenses	25,080	23,048
Provisions for contingencies	-	1,200
Allowance for obsolescence	4,946	1,264
Taxes	1,013	975
Other	7,753	4,282
	1,088,011	**956,366**
Less: Inventories at the end of the period	**(1,491,632)**	**(1,360,708)**
	972,492	**865,128**

4 Selling, general and administrative expenses

(all amounts in thousands of U.S. dollars)	Three-month period ended March 31, 2006	2005
	(Unaudited)	
Services and fees	25,438	31,487
Labor cost	58,650	46,035
Depreciation of property, plant and equipment	1,896	2,479
Amortization of intangible assets	3,909	2,975
Commissions, freight and other selling expenses	87,593	68,024
Provisions for contingencies	211	1,878
Allowances for doubtful accounts	1,901	5,314
Taxes	21,350	16,822
Other	16,936	10,069
	217,884	**185,083**

5 Financial income (expense), net

(all amounts in thousands of U.S. dollars)	Three-month period ended March 31, 2006	2005
	(Unaudited)	
Interest expense	(11,883)	(12,442)
Interest income	12,481	2,959
Net foreign exchange transaction losses and changes in fair value of derivative instruments	8,805	(33,879)
Other	1,193	1,555
	10,596	**(41,807)**

6 Property, plant and equipment and intangible assets, net

(all amounts in thousands of U.S. dollars)	Net Property, Plant and Equipment (Unaudited)	Net Intangible Assets (Unaudited)
Three-month period ended March 31, 2006		
Opening net book amount	2,230,038	159,099
Currency translation differences	20,393	524
Transfers	(124)	124
Additions	65,653	3,876
Disposals	(14,086)	
Increase due to business acquisition	22,892	1,163
Depreciation/ Amortization charge	(49,636)	(5,039)
At March 31, 2006	**2,275,130**	**159,747**

7 Contingencies, commitments and restrictions to the distribution of profits

This note should be read in conjunction with Note 26 included in the Company's audited Consolidated Financial Statements for the year ended December 31, 2005. Significant changes or events since the date of the annual report are the following:

(i) Commitments

(a) In August 2001, Dalmine Energie S.p.A. ("Dalmine Energie") entered into a ten-year contract ending October 1, 2011 with Eni S.p.A. Gas & Power Division ("Eni") for the purchase of natural gas with certain take-or-pay conditions. The outstanding value of these commitments at March 31, 2006 amounts to approximately EUR 770.2 million ($932.3 million).

(b) Under the Gas Release Program enacted by Eni, in August 2004, Dalmine Energie increased its supply of natural gas for the period from October 1, 2004 to September 30, 2008. The gas purchase and sale agreements entered into with Eni contain customary take-or-pay conditions. The additional gas supply mentioned above is valued at approximately EUR 247.5 million ($299.6 million), based on prices prevailing at March 2006. Dalmine Energie has also obtained the necessary capacity on the interconnection infrastructure at the Italian border to transport the natural gas to Italy for the supply period.

(c) Dalmine Energie has entered into arrangements and expects to obtain additional gas transportation capacity on the Trans Austria Gasleitung GmbH ("TAG") pipeline, which is presently under construction. This capacity will allow Dalmine Energie to import an incremental 1,176.5 million cubic meters of natural gas per year. The additional transportation capacity, which is subject to "ship or pay" provisions, will be available on a firm basis on the TAG pipeline beginning October 2008 and through September 2028.

The expected annual value of this "ship or pay" commitment is approximately EUR 5.0 million per year. Tenaris provided bank guarantees in the amount of EUR 15.1 million in support of Dalmine Energie. The value of the bank guarantees corresponds to the termination penalties that would be due TAG in the event of termination or non-utilization of the transportation capacity.

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

(ii) Restrictions to the distribution of profits and payment of dividends

As of March 31, 2006, shareholders' equity as defined under Luxembourg law and regulations consisted of the following:

(all amounts in thousands of U.S. dollars)	
Share capital	1,180,537
Legal reserve	118,054
Share premium	609,733
Retained earnings including net income for the three month period ended March 31, 2006	1,173,773
Total shareholders equity according to Luxembourg law	**3,082,097**

At least 5% of the net income per year as calculated in accordance with Luxembourg law and regulations must be allocated to the creation of a legal reserve equivalent to 10% of share capital. As of March 31, 2006, this reserve is fully allocated and additional allocations to the reserve are not required under Luxembourg law. Dividends may not be paid from this reserve.

Tenaris may pay dividends to the extent, among other conditions, that it has distributable retained earnings calculated in accordance with Luxembourg law and regulations.

At March 31, 2006, the retained earnings of Tenaris under Luxembourg law totalled $1,173.8 million, as detailed below.

(all amounts in thousands of U.S. dollars)	
Retained earnings at December 31, 2005 under Luxembourg law	1,171,738
Other income and expenses for the three-month period ended March 31, 2006	2,035
Retained earnings at March 31, 2006 under Luxembourg law	**1,173,773**

8 Business acquisitions, incorporation of subsidiaries and other significant events

(a) Investment in Ternium S.A. ("Ternium")

On September 9, 2005, the Company exchanged its 21.2% equity interest in Consorcio Siderurgia Amazonia Ltd. ("Amazonia") and its 24.4% equity interest in Ylopa Servicos de Consultadoria Ltda. ("Ylopa"), for 209,460,856 shares in Ternium, the company into which San Faustin N.V. (a Netherlands Antilles corporation and the controlling shareholder of Tenaris) consolidated its Latin American holdings in flat and long steel producers Siderar S.A.I.C. ("Siderar"), Sidor C.A. ("Sidor") and Hylsamex, S.A de C.V. As a result of the exchange, which was carried out based on fair values as determined by an internationally recognized investment bank engaged for this purpose, Tenaris obtained an initial ownership interest of approximately 17.9% in Ternium.

Subsequently, on October 27, 2005, Usinas Siderurgicas de Minas Gerais S.A. reached an agreement with Ternium to exchange its interests in Amazonia, Ylopa and Siderar, plus additional consideration of approximately $114.1 million provided as a convertible loan, for an equity stake in Ternium. As a consequence of the additional shares issued under this transaction, Tenaris' ownership stake was reduced to 15.0% of Ternium's outstanding common stock at December 31, 2005. The effect of this transaction resulted in an increase of the Company's proportional ownership in Ternium's equity of approximately $2.7 million, which Tenaris recognized in Other Reserves in equity.

8 Business acquisitions, incorporation of subsidiaries and other significant events (Cont'd)

In addition, in August 2005 Tenaris extended to Ternium two subordinated convertible loans consisting of principal amount of $39.7 million. The principal amount of these loans at the date issue corresponded to the amount of certain distributions received from Amazonia during the second and third quarters of 2005 in connection with Ternium's participation in Amazonia's financial debt restructuring in 2003. At the date of Ternium's initial public offering ("IPO"), the loans totaled approximately $40.5 million, including accrued interest**.**

On February 1, 2006, Ternium completed its IPO, issuing an additional 248,447,200 shares (equivalent to 24,844,720 ADS) at a price of $2.00 per share, or $20.00 per ADS. Tenaris received an additional 20,252,338 shares upon the mandatory conversion of its loans to Ternium. In addition to the shares issued to Tenaris, Ternium issued shares to other shareholders corresponding to their mandatory convertible loans. On February 23, 2006, the underwriters of Ternium's IPO exercised an overallotment option under which Ternium issued an additional 37,267, 080 shares (equivalent to 3,726,708 ADS). As a result of the IPO and the conversion of loans, as of February 1, 2006, Tenaris' ownership stake in Ternium amounted to 11.46%. The effect of these transactions resulted in an additional increase of the Company's proportional ownership in Ternium's equity of approximately $27.7 million, which Tenaris recognized in Other Reserves in equity.

At March 31, 2006, the closing price of Ternium shares as quoted on the New York Stock Exchange was $28.35 per ADS, giving Tenaris' ownership stake a market value of approximately $651 million. At March 31, 2006, the carrying value of Tenaris's ownership stake in Ternium was approximately $338.0 million.

(b) Acquisition of Welded Pipe Business in Argentina

On January 31, 2006, Siat S.A., a subsidiary of Tenaris, completed its acquisition of the welded pipe assets and facilities located in Villa Constitución, province of Santa Fe, Argentina, belonging to Industria Argentina de Acero, S.A. ("Acindar") for $29.1 million. The acquisition was approved by the Argentine antitrust authorities *(Comisión Nacional de Defensa de la Competencia*). The facilities acquired have an annual capacity of 80,000 tons of welded pipes whose small diameter range largely complements the range of welded pipes that Tenaris produces in Argentina.

The acquired business did not materially contribute to the Company's revenue and income. The fair value of acquired assets and liabilities were:

(all amounts in thousands of U.S. dollars)	**Three-month period ended March 31, 2006 (Unaudited)**
Other assets and liabilities (net)	5,033
Property, plant and equipment	22,892
Goodwill	1,163
Net assets acquired	29,088

(c) Minority Interest

During the quarter ended march 31, 2006, additional shares of Silcotub and Dalmine were acquired from minority shareholders for approximately $0.7 million.

9 Related party disclosures

The Company is controlled by San Faustin N.V., a Netherlands Antilles corporation, which owns 60.45% of the Company's outstanding shares, either directly or through its wholly-owned subsidiary I.I.I. Industrial Investments Inc., a Cayman Islands corporation. The Company's directors and executive officers as a group own 0.2% of the Company's outstanding shares, while the remaining 39.35% is publicly traded. San Faustin N.V. is controlled by Rocca & Partners, a British Virgin Islands corporation.

Transactions and balances disclosed as with "Associated" companies are those with companies in which Tenaris owns 20% to 50% of the voting rights or over which Tenaris exerts significant influence, but does not have control. All other transactions with related parties which are not Associated and which are not consolidated are disclosed as "Other".

The following transactions were carried out with related parties:

(all amounts in thousands of $)

Three-month period ended March 31, 2006

	Associated (1)	Other	Total
(i) Transactions			
(a) Sales of goods and services			
Sales of goods	24,902	14,391	39,293
Sales of services	3,544	631	4,175
	28,446	15,022	43,468
(b) Purchases of goods and services			
Purchases of goods	19,441	5,510	24,951
Purchases of services	2,116	13,141	15,257
	21,557	18,651	40,208

Three-month period ended March 31, 2005

	Associated (2)	Other	Total
(i) Transactions			
(a) Sales of goods and services			
Sales of goods	181	40,686	40,867
Sales of services	235	2,854	3,089
	416	43,540	43,956
(b) Purchases of goods and services			
Purchases of goods	27	17,649	17,676
Purchases of services	40	16,239	16,279
	67	33,888	33,955

9 Related party disclosures (Cont'd)

At March 31, 2006

	Associated	Other	Total
(ii) Period-end balances			
(a) Related to sales/purchases of goods/services			
Receivables from related parties	24,982	22,954	47,936
Payables to related parties	(23,072)	(9,599)	(32,671)
	1,910	13,355	15,265
(b) Other balances			
Receivables	2,080	-	2,080
(c) Financial debt			
Borrowings (4)	(55,623)	-	(55,623)

At December 31, 2005

	Associated	Other	Total
(ii) Period-end balances			
(a) Related to sales/purchases of goods/services			
Receivables from related parties	30,988	15,228	46,216
Payables to related parties	(21,034)	(8,413)	(29,447)
	9,954	6,815	16,769
(b) Other balances (3)	42,437	-	42,437
(c) Financial debt			
Borrowings (4)	(54,801)	-	(54,801)

(1) Includes Ternium S.A. and its subsidiaries and Condusid C.A..

(2) Up to September 30, 2005 includes: Condusid, Ylopa, Amazonia and Sidor. From October 1, 2005 includes: Condusid and Ternium

(3) Includes convertible loan to Ternium S.A. of $40.4 million at December 31, 2005.

(4) Convertible loan from Sidor C.A. to Matesi (Materiales Siderurgicos S.A.).

(iii) Officers and director's compensation

The aggregate compensation of the directors and executive officers earned during the three-month period ended March 31, 2006 amounted to $3.2 million.

Carlos Condorelli
Chief Financial Officer