

TENARIS SA
Form 6-K
April 20, 2011

FORM 6 - K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

As of April 20, 2011

TENARIS, S.A.
(Translation of Registrant's name into English)

TENARIS, S.A.
29 avenue de la Porte-Neuve
3rd Floor
L-2227 Luxembourg
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12G3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____.

The attached material is being furnished to the Securities and Exchange Commission pursuant to Rule 13a-16 and Form 6-K under the Securities Exchange Act of 1934, as amended. This report contains Tenaris' notice of Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders and the Shareholder Meeting Brochure and Proxy Statement and the Company's 2010 annual report (which includes the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008 and the Company's annual accounts as at December 31, 2010, together with the independent auditors' reports and the Board of Directors' management report and certification).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 20, 2011

Tenaris, S.A.

By: /s/ Cecilia Bilesio
Cecilia Bilesio
Corporate Secretary

Dear Tenaris Shareholder and ADR Holder,

I am pleased to invite you to attend the Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders of Tenaris S.A. (the “Company”), both to be held on Wednesday June 1, 2011, at 29, avenue de la Porte-Neuve, 3rd Floor, L-2227 Luxembourg. The Annual General Meeting of Shareholders will begin promptly at 11:00 a.m. (Luxembourg time) and the Extraordinary General Meeting of Shareholders will be held immediately after the adjournment 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 operation and will be able to vote on various matters, including the approval of the Company’s financial statements, the election of the members of the board of directors and the appointment of the independent auditors. Subsequently, the Extraordinary General Meeting will resolve on the proposed amendments to the Company’s articles of association to adapt them to the abolishment of the law of July 31, 1929, and the consequent termination of the Company’s special status thereunder, and to change the date of the Annual General Meeting of Shareholders so that it be held on the first Wednesday of May of each year.

The Notice and Agenda for both meetings, the Shareholder Meeting Brochure and Proxy Statement and the Company’s 2010 annual report (which includes the Company’s consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, and the Company’s annual accounts as at December 31, 2010, together with the independent auditors’ reports and the board of director’s management report and certifications), are available free of charge at the Company’s registered office in Luxembourg and on our website at www.tenaris.com/investors. They may also be obtained, upon request, by calling (352) 26-47-89-78 (if you are in Luxembourg), 1-800-555-2470 (if you are in the United States), or +1-267-468-0786 (if you are in any other jurisdiction).

Even if you only own a few shares or ADRs, I hope that you will exercise your right to vote at both meetings. You can vote your shares personally or by proxy. If you are a holder of ADRs, please see the letter from The Bank of New York Mellon, the depositary bank, or contact your broker/custodian, for instructions on how to give voting instructions in respect of the shares underlying your ADRs.

Yours sincerely,

Paolo Rocca
Chairman and Chief Executive Officer

April 19, 2011

Re: TENARIS S.A.

To: Registered Holders of American Depositary Receipts (“ADRs”) for ordinary shares, US\$1 par value each (the “Shares”), of Tenaris S.A. (the “Company”):

The Company has announced that its Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders (the “Meetings”) will be held on June 1, 2011. The Annual General Meeting of Shareholders will begin promptly at 11:00 a.m. (Luxembourg time) and the Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders. Both Meetings will take place at 29, avenue de la Porte-Neuve, 3rd Floor, L-2227 Luxembourg. A copy of the Company’s Notice of Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders, which includes the agendas for such Meetings, is enclosed.

The enclosed dedicated proxy card is provided to allow you to give voting instructions in respect of the Shares underlying your ADRs. The Notice of the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders, the Shareholder Meeting Brochure and Proxy Statement, and the Company’s 2010 annual report (which includes the Company’s consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, and the Company’s annual accounts as at December 31, 2010, together with the independent auditors’ reports and the board of directors’ management report and certifications), are available on the Company’s website at www.tenaris.com/investors and may also be obtained, upon request, by calling 1-800-555-2470 (if you are in the United States) or +1-267-468-0786 (if you are outside the United States). They are also available free of charge at the Company’s registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time.

Each holder of ADRs as of each of April 22, 2011, and May 18, 2011, is entitled to instruct The Bank of New York Mellon, as Depositary (the “Depositary”), as to the exercise of the voting rights pertaining to the Shares underlying such holder’s ADRs. Although voting instructions are sent to ADR holders and proxy materials are available on the Company’s website beginning on April 19, 2011, only those holders of record at each of April 22, 2011, and May 18, 2011, 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 18, 2011, will be counted for voting instruction purposes.

Any eligible holder of ADRs who desires to give voting instructions in respect of the Shares underlying its ADRs must follow the instructions and meet the deadlines set forth in the enclosed dedicated proxy card. If the Depositary receives proper instructions (i) in the case of any holder giving instructions through a written proxy card, by 5:00 p.m., New York City time, on May 26, 2011, and (ii) in the case of any holder using internet or telephone voting by 11:59 p.m., New York City time, on May 25, 2011, then the Depositary shall vote, or cause to be voted, the Shares underlying such holder’s ADRs in the manner prescribed by the instructions. However, if by the above referred deadlines, the Depositary receives no instructions from the holder of ADRs, or the instructions received by the Depositary are not in proper form, then the Depositary shall deem such holder to have instructed the Depositary to vote the Shares underlying any such ADRs in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote such underlying Shares on any given issue in accordance with the majority shareholder vote on that issue) and, for these purposes, the Depositary shall issue a proxy to a person appointed by the Company to vote the Shares underlying such holder’s ADRs in favor of any such proposals or recommendations. No instruction shall be deemed given, and no proxy shall be given, with respect to any matter as to which the Company informs the Depositary that (i) it does not wish such proxy given, (ii) it has knowledge that substantial opposition exists with respect to the action to be taken at the Meeting, or (iii) the matter materially and adversely affects the rights of the holders of ADRs.

Any holder of ADRs entitled to provide the Depositary with voting instructions in respect of the Shares underlying its ADRs, is also entitled to revoke any instructions previously given to the Depositary by filing with the Depositary a written revocation or submitting new instructions on a later date at any time prior to the above referred deadlines. No instructions, revocations or revisions thereof shall be accepted by the Depositary after such deadlines.

REMEMBER: THE DEPOSITARY MUST RECEIVE YOUR VOTING INSTRUCTIONS (I) IN THE CASE OF ANY HOLDER GIVING INSTRUCTIONS THROUGH A WRITTEN PROXY CARD, BY 5:00 P.M., NEW YORK CITY TIME, ON MAY 26, 2011, AND (II) IN THE CASE OF ANY HOLDER USING INTERNET OR TELEPHONE VOTING BY 11:59 P.M., NEW YORK CITY TIME, ON MAY 25, 2011.

THE BANK OF NEW YORK MELLON
Depositary

April 19, 2011
New York, New York

Tenaris S.A.
Société Anonyme
29, avenue de la Porte-Neuve, 3rd Floor,
L-2227 Luxembourg
RCS Luxembourg B 85 203

Notice of the Annual General Meeting of Shareholders and of an Extraordinary General Meeting of Shareholders to be held on June 1, 2011

Notice is hereby given to holders of ordinary shares of Tenaris S.A. (the “Company”) that the Annual General Meeting of Shareholders will be held on June 1, 2011, at 11:00 a.m. (Luxembourg time) and that an Extraordinary General Meeting of Shareholders of the Company will be held immediately after the adjournment of the Annual General Meeting of Shareholders of the Company. Both meetings (the “Meetings”) will be held at 29, avenue de la Porte-Neuve, 3rd Floor, L-2227 Luxembourg. At the Annual General Meeting, shareholders will vote on the items listed below under the heading “Agenda for the Annual General Meeting of Shareholders”. At the Extraordinary General Meeting, shareholders will vote on the items listed below under the heading “Agenda for the Extraordinary General Meeting of Shareholders”.

Agenda for the Annual General Meeting of Shareholders

1. Consideration of the Board of Directors’ management report and certifications and the independent auditors’ reports on the Company’s consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, and the Company’s annual accounts as at December 31, 2010.
2. Approval of the Company’s consolidated financial statements for the years ended December 31, 2010, 2009 and 2008.
3. Approval of the Company’s annual accounts as at December 31, 2010.
4. Allocation of results and approval of dividend payment for the year ended December 31, 2010.
5. Discharge of the members of the Board of Directors for the exercise of their mandate during the year ended December 31, 2010.
6. Election of members of the Board of Directors.
7. Compensation of members of the Board of Directors.
8. Appointment of the independent auditors for the fiscal year ending December 31, 2011, and approval of their fees.
9. 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 is permitted by any applicable laws or regulations.

Agenda for the Extraordinary General Meeting of Shareholders

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1. Adaptation of the Company's Articles of Association to the abolishment of the law of July 31, 1929, and the termination of the holding company status thereunder by:
 - (i) the amendment of article 1 of the Company's Articles of Association to read as follows: "Tenaris S.A. is a société anonyme governed by these Articles of Association and by the applicable laws and regulations of the Grand Duchy of Luxembourg".
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(ii) the amendment to article 2 of the Company's Articles of Association by replacing its last paragraph with the following: "In general, the Company may carry out any permitted activities which it may deem appropriate or necessary for the accomplishment of its corporate object".

2. Change of the date of the annual general meeting of shareholders so that it be held on the first Wednesday of May of each year at 11:00 a.m., and consequential amendment to article 15 of the Company's Articles of Association by replacing its first paragraph with the following: "The annual general meeting shall meet each year in the city of Luxembourg at the place indicated in the notices of meeting on the first Wednesday of May at 11:00 a.m. If such day falls on a legal or banking holiday in Luxembourg, the general shareholders meeting shall be held on the first business day thereafter".

Pursuant to the Company's Articles of Association and Luxembourg law, resolutions at the Annual General Meeting of Shareholders will be passed by simple majority vote, irrespective of the number of shares present or represented. The Extraordinary General Meeting of Shareholders convened to consider a proposed amendment to the Company's Articles of Association may not validly deliberate on such amendment unless at least half of the share capital is present or represented. If the required quorum is not met at the Extraordinary General Meeting of Shareholders on the first call, a second call may be made 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 two Luxembourg newspapers. Such notices shall in addition be made in accordance with the publicity requirements of the regulated markets where the shares, or other securities representing shares, are listed. On second call, the Extraordinary General Meeting of Shareholders may validly deliberate, regardless of the number of shares present or represented. Either on the first or second call, the Extraordinary General Meeting of Shareholders may validly adopt resolutions with a two-thirds majority of the votes of the shares present or represented.

Procedures for Attending the Meetings

Any shareholder registered in the Company's share register on May 27, 2011 (the "Record Date") shall be admitted to the Meetings and may attend the Meetings in person.

Any shareholder registered in the Company's share register on the Record Date may also vote by proxy. To vote by proxy, shareholders must file a completed proxy form not later than 4:00 p.m. (local time) on the Record Date at any of the addresses indicated below or, 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).

Any shareholder holding shares through fungible securities accounts wishing to attend the Meetings in person must present a certificate (issued by the financial institution or professional depositary holding such shares) evidencing deposit of its shares and certifying the number of shares recorded in the relevant account as of the Record Date. Certificates certifying the number of shares recorded in the relevant account as of a date other than the Record Date will not be accepted and such shareholders will not be admitted to the Meetings. Each certificate must (i) indicate the stock exchange on which the shares evidenced by such certificate trade, and (ii) in case of certificates evidencing shares trading on the Argentine or Italian stock exchanges, certify that such shares have been blocked for trading until the date of the Meetings. Certificates must be filed not later than 4:00 p.m. (local time) on the Record Date, at any of the addresses indicated below or, in the case of shares held through fungible securities accounts in Mexico, with S.D. Indeval, S.A. de C.V. (Paseo de la Reforma #255, 2o. y 3er. piso Col. Cuauhtémoc, Mexico City).

Any shareholder holding its shares through fungible securities accounts may also vote by proxy. To do so, any such shareholder must present a certificate (issued by the financial institution or professional depositary holding such shares) evidencing deposit of its shares and certifying the number of shares recorded in the relevant account as of the Record Date. Certificates certifying the number of shares recorded in the relevant account as of a date other than the

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Record Date will not be accepted and any shareholder presenting any such certificate will not be admitted to the Meetings. Each certificate must (i) indicate the stock exchange on which the shares evidenced by such certificate trade, and (ii) in case of certificates evidencing shares trading on the Argentine or Italian stock exchanges, certify that such shares have been blocked for trading until the date of the Meetings. In addition, such shareholder wishing to vote by proxy must also present a completed proxy form. Such certificate and proxy form must be filed not later than 4:00 p.m. (local time) on the Record Date, at any of the addresses indicated below and, in the case of shares held through fungible securities accounts in Mexico, with S.D. Ineval, S.A. de C.V. (Paseo de la Reforma #255, 2o. y 3er. piso Col. Cuauhtémoc, Mexico City).

In the event of shares owned by a corporation or any other legal entity, individuals representing such entity who wish to attend the Meetings in person and vote at the Meetings on behalf of such entity, must present evidence of their authority to attend, and vote at, the Meetings by means of a proper document (such as a general or special power-of-attorney) issued by the respective entity. A copy of such power of attorney or other proper document must be filed not later than 4:00 p.m. (local time) on the Record Date, at any of the addresses indicated below. The original documentation evidencing the authority to attend, and vote at, the Meetings, or a notarized and legalized copy thereof, must be presented at the Meetings.

Luxembourg: 29, avenue de la Porte-Neuve, 3rd Floor,
L-2227 Luxembourg
Attn: Adélia Soares

Argentina: c/o Siderca S.A.I.C.
Carlos María della Paolera 299, piso 16°
(C1001ADA) 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: Alessandro Vottero and/or Teresa Gaini

Mexico: c/o Tubos de Acero de México, S.A.
Campos Elíseos 400-17
Col. Chapultepec Polanco
11560 México D.F.
Attn: Félix Todd and/or Cecilia Pérez Valencia

Those shareholders who have sold their shares between the Record Date and the date of the Meetings cannot attend the Meetings or vote by proxy. In case of breach of such prohibition, criminal sanctions may apply.

Holders of American Depositary Receipts (“ADRs”) as of each of April 22, 2011, and May 18, 2011, are entitled to instruct THE BANK OF NEW YORK MELLON, as Depositary (the “Depositary”), as to the exercise of the voting rights pertaining to the Company’s shares represented by such holder’s ADRs. Although voting instructions are sent to holders and proxy materials will be available on the Company’s website beginning on April 19, 2011, only those holders of record as of each of April 22, 2011 and May 18, 2011, 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 18, 2011, will be counted for voting instruction purposes. Any eligible ADR holder who desires to give voting instructions with respect of the shares represented by its ADRs must follow the instructions and meet the deadlines set forth in the Depositary’s dedicated proxy card.

Under Luxembourg legislation implementing the EU Transparency Directive, each investor in the Company’s securities should notify the Company and the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) on an ongoing basis whenever the proportion of the Company’s voting rights held or controlled by such investor exceeds or falls below any of the following thresholds: 5%, 10%, 15%, 20%, 25%, 33.33%, 50% and 66.66%. The total number of issued and outstanding shares and related votes set forth in the second paragraph of the Shareholder Meeting Brochure and Proxy Statement should be used for purposes of determining whether an investor reaches or exceeds each such threshold. Any such notification shall be made as indicated in the Company’s website at

www.tenaris.com/investors and in accordance with CSSF regulations. Failure to make such notification will cause the suspension of the exercise of voting rights relating to the shares exceeding the proportion that should have been notified.

The Shareholder Meeting Brochure and Proxy Statement (which contains reports on each item of the agendas for the Meetings, and further details on voting procedures) and the forms furnished by the Company in connection with the Meetings, may be obtained at any of the addresses indicated above or upon request by calling (352) 26-47-89-78 (if you are in Luxembourg), 1-800-555-2470 (if you are in the United States), or +1-267-468-0786 (if you are in any other jurisdiction), but also from the Depositary, Borsa Italiana SpA (Piazza degli Affari 6, 20123, Milan, Italy) and S.D. Indeval S.A. de C.V., as from April 22, 2011, between 10:00 a.m. and 5:00 p.m. (local time).

Copies of the Shareholder Meeting Brochure and Proxy Statement and the forms will also be available at www.tenaris.com/investors. Copies of the Company's 2010 annual report (including the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, and the Company's annual accounts as at December 31, 2010, together with the independent auditors' reports and management report and certifications, and the documents referred to in the preceding sentence) may also be obtained free of charge at the Company's registered office in Luxembourg or upon request by calling (352) 26-47-89-78 (if you are in Luxembourg), 1-800-555-2470 (if you are in the United States), or +1-267-468-0786 (if you are in any other jurisdiction).

Cecilia Bilesio
Secretary to the Board of Directors

April 19, 2011
Luxembourg

Tenaris S.A.
Société Anonyme
29, avenue de la Porte-Neuve, 3rd Floor,
L-2227 Luxembourg
RCS Luxembourg B 85 203

Shareholder Meeting Brochure and Proxy Statement

Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders to be held on June 1, 2011

This Shareholder Meeting Brochure and Proxy Statement is furnished by Tenaris S.A. (the “Company”) in connection with the Annual General Meeting of Shareholders of the Company and an Extraordinary General Meeting of Shareholders of the Company (the “Meetings”) to be held on June 1, 2011 at 29, avenue de la Porte-Neuve, 3rd Floor, L-2227 Luxembourg for the purposes set forth in the accompanying Notice of the Annual General Meeting of Shareholders and of an Extraordinary General Meeting of Shareholders (the “Notice”). The Annual General Meeting of Shareholders will begin promptly at 11:00 a.m. (Luxembourg time) and the Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders.

As of the date hereof, there are issued and outstanding 1,180,536,830 ordinary shares, US\$1 par value each, of the Company (the “Shares”), including the Shares (the “Deposited Shares”) deposited with various agents for THE BANK OF NEW YORK MELLON, as depositary (the “Depositary”), under the Amended and Restated Deposit Agreement, dated as of March 12, 2008 (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 Share entitles the holder thereof to one vote at general meetings of shareholders of the Company.

Any shareholder registered in the Company’s share register on May 27, 2011 (the “Record Date”) shall be admitted to the Meetings and may attend the Meetings in person.

Any shareholder registered in the Company’s share register on the Record Date may also vote by proxy. To vote by proxy, shareholders must file a completed proxy form not later than 4:00 p.m. (local time) on the Record Date at any of the addresses indicated in the Notice.

Any shareholder holding Shares through fungible securities accounts wishing to attend the Meetings in person must present a certificate (issued by the financial institution or professional depositary holding such Shares) evidencing deposit of its Shares and certifying the number of Shares recorded in the relevant account as of the Record Date. Certificates certifying the number of Shares recorded in the relevant account as of a date other than the Record Date will not be accepted and such shareholders will not be admitted to the Meetings. Each certificate must (i) indicate the stock exchange on which the Shares evidenced by such certificate trade, and (ii) in case of certificates evidencing Shares trading on the Argentine or Italian stock exchanges, certify that such Shares have been blocked for trading until the date of the Meetings. Certificates must be filed not later than 4:00 p.m. (local time) on the Record Date, at any of the addresses indicated in the Notice.

Any shareholder holding its Shares through fungible securities accounts may also vote by proxy. To do so, any such shareholder must present a certificate (issued by the financial institution or professional depositary holding such

Shares) evidencing deposit of its Shares and certifying the number of Shares recorded in the relevant account as of the Record Date. Certificates certifying the number of Shares recorded in the relevant account as of a date other than the Record Date will not be accepted and any shareholder presenting any such certificate will not be admitted to the Meetings. Each certificate must (i) indicate the stock exchange on which the Shares evidenced by such certificate trade, and (ii) in case of certificates evidencing Shares trading on the Argentine or Italian stock exchanges, certify that such Shares have been blocked for trading until the date of the Meeting. In addition, such shareholder wishing to vote by proxy must also present a completed proxy form. Such certificate and proxy form must be filed not later than 4:00 p.m. (local time) on the Record Date, at any of the addresses indicated in the Notice.

In the event of Shares owned by a corporation or any other legal entity, individuals representing such entity who wish to attend the Meetings in person and vote at the Meetings on behalf of such entity, must present evidence of their authority to attend, and vote at, the Meetings by means of a proper document (such as a general or special power-of-attorney) issued by the respective entity. A copy of such power of attorney or other proper document must be filed not later than 4:00 p.m. (local time) on the Record Date, at any of the addresses indicated in the Notice. The original documentation evidencing the authority to attend, and vote at, the Meetings, or a notarized and legalized copy thereof, must be presented at the Meetings.

Each holder of ADRs as of each of April 22, 2011, and May 18, 2011, is entitled to instruct the Depositary, as to the exercise of the voting rights pertaining to the Shares underlying such holder's ADRs. Although voting instructions are sent to ADR holders and proxy materials are available on the Company's website beginning on April 19, 2011, only those holders of record at each of April 22, 2011, and May 18, 2011, 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 18, 2011, will be counted for voting instruction purposes.

Any eligible ADR holder who desires to give voting instructions in respect of the Shares underlying its ADRs must follow the instructions and meet the deadlines set forth in the dedicated proxy card. If the Depositary receives proper instructions (i) in the case of any ADR holder giving instructions through a written proxy card, by 5:00 p.m., New York City time, on May 26, 2011, and (ii) in the case of any ADR holder using internet or telephone voting by 11:59 p.m., New York City time, on May 25, 2011, then the Depositary shall vote, or cause to be voted, the Shares underlying such ADRs in the manner prescribed by the instructions. However, if by the above referred deadlines, the Depositary receives no instructions from the holder of ADRs, or the instructions received by the Depositary are not in proper form, then the Depositary shall deem such ADR holder to have instructed the Depositary to vote the Shares underlying any such ADRs in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote such underlying Shares on any given issue in accordance with the majority shareholder vote on that issue) and, for these purposes, the Depositary shall issue a proxy to a person appointed by the Company to vote the Shares underlying such holder's ADRs in favor of any such proposals or recommendations. No instruction shall be deemed given, and no proxy shall be given, with respect to any matter as to which the Company informs the Depositary that (i) it does not wish such proxy given, (ii) it has knowledge that substantial opposition exists with respect to the action to be taken at the Meeting, or (iii) the matter materially and adversely effects the rights of the holders of ADRs.

Any holder of ADRs entitled to provide the Depositary with voting instructions in respect of the Shares underlying its ADRs, is also entitled to revoke any instructions which it has previously given to the Depositary by filing with the Depositary a written revocation or submitting new instructions at any time prior to the above referred deadlines. No instructions, revocations or revisions thereof shall be accepted by the Depositary after such deadlines.

Holders of ADRs maintaining non-certificated positions must follow voting instructions given by their broker or custodian bank, which may provide for earlier deadlines for submitting voting instructions than those indicated above.

Due to regulatory differences and market practices in each country where the Shares or ADRs are listed, holders of Shares traded on the Argentine and Italian stock exchanges who have requested admission to the Meetings, or who have issued a proxy voting instruction, 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 on the Mexican stock exchange who sell their Shares between May 26, 2011, and May 31, 2011, shall be disregarded for voting purposes.

Under Luxembourg legislation implementing the EU Transparency Directive, each investor in the Company's securities should notify the Company and the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) on an ongoing basis whenever the proportion of the Company's voting rights held or controlled by such investor exceeds or falls below any of the following thresholds: 5%, 10%, 15%, 20%, 25%, 33.33%, 50% and 66.66%. The total number of issued and outstanding shares and related votes set forth in the second paragraph of the Shareholder Meeting Brochure and Proxy Statement should be used for purposes of determining whether an investor reaches or exceeds each such threshold. Any such notification shall be made as indicated in the Company's website at www.tenaris.com/investors and in accordance with CSSF regulations. Failure to make such notification will cause the suspension of the exercise of voting rights relating to the shares exceeding the proportion that should have been notified.

The Meetings will appoint a chairperson pro tempore to preside the Meetings. 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 agendas.

Pursuant to the Company's Articles of Association and Luxembourg law, resolutions at the Annual General Meeting of Shareholders will be passed by simple majority vote, irrespective of the number of shares present or represented. The Extraordinary General Meeting of Shareholders convened to consider a proposed amendment to the Company's Articles of Association may not validly deliberate on such amendment unless at least half of the share capital is present or represented. If the required quorum is not met at the Extraordinary General Meeting of Shareholders on the first call, a second call may be made 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 two Luxembourg newspapers. Such notices shall in addition be made in accordance with the publicity requirements of the regulated markets where the shares, or other securities representing shares, are listed. On second call, the Extraordinary General Meeting of Shareholders may validly deliberate, regardless of the number of shares present or represented. Either on first or second call, the Extraordinary General Meeting of Shareholders may validly adopt resolutions with a two-thirds majority of the votes of the shares present or represented.

The Annual General Meeting of Shareholders is called to address and vote on the following agenda:

Annual General Meeting of Shareholders

1. Consideration of the Board of Directors' management report and certifications and the independent auditors' reports on the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, and the Company's annual accounts as at December 31, 2010.

The board of directors of the Company (the "Board") recommends a vote FOR approval of the Board's management report and certifications and the independent auditors' reports on the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, and the Company's annual accounts as at December 31, 2010. The Board's management report on such consolidated financial statements -which has been combined with its management report on the Company's annual accounts-, management's certifications and the independent auditors' reports to such consolidated financial statements and annual accounts are included in the Company's 2010 annual report. A copy of the 2010 annual report is available on the Company's website at www.tenaris.com/investors and may also be obtained free of charge at the Company's registered office, between 10:00 a.m. and 5:00 p.m., Luxembourg time or, upon request, by calling (352) 26-47-89-78 (if you are in Luxembourg), 1-800-555-2470 (if you are in the United States), or +1-267-468-0786 (if you are in any other jurisdiction).

2. Approval of the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008.

The Board recommends a vote FOR approval of the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008, after due consideration of the Board's management report and certifications and the independent auditor's reports on such consolidated financial statements. The consolidated balance sheets and the related consolidated statements of income, of cash flows and of changes in equity and the notes to such consolidated financial statements are included in the Company's 2010 annual report, a copy of which is available on the Company's website at www.tenaris.com/investors and may also be obtained free of charge at the Company's registered office, between 10:00 a.m. and 5:00 p.m., Luxembourg time or, upon request, by calling (352) 26-47-89-78 (if you are in Luxembourg), 1-800-555-2470 (if you are in the United States), or +1-267-468-0786 (if you are in any other jurisdiction).

3. Approval of the Company's annual accounts as at December 31, 2010.

The Board recommends a vote FOR approval of the Company's annual accounts as at December 31, 2010, after due consideration of the Board's management report and certifications and the independent auditor's reports on such annual accounts. The balance sheet, the profit and loss account and the notes to such annual accounts are included in the Company's 2010 annual report, a copy of which is available on our website at www.tenaris.com/investors and may also be obtained free of charge at the Company's registered office, between 10:00 a.m. and 5:00 p.m., Luxembourg time or, upon request, by calling (352) 26-47-89-78 (if you are in Luxembourg), 1-800-555-2470 (if you are in the United States), or +1-267-468-0786 (if you are in any other jurisdiction).

4. Allocation of results and approval of dividend payment for the year ended December 31, 2010.

The Board recommends a vote FOR approval of a dividend in U.S. dollars, in the amount of US\$0.34 per Share (or US\$0.68 per ADR) which represents an aggregate sum of US\$401,382,522.20. As required by Luxembourg law, this dividend includes the interim dividend of US\$0.13 per Share (or US\$0.26 per ADR) paid on November 25, 2010. Accordingly, if this dividend proposal is approved, the Company will make a dividend payment on June 23, 2011, in the amount of US\$ 0.21 per Share (or US\$ 0.42 per ADR).

The aggregate amount of US\$153,469,787.90 distributed as interim dividend on November 25, 2010, was paid from reserves of earnings from the nine-month period ended September 30, 2010. The aggregate amount of US\$247,912,734.30 to be distributed as dividend on June 23, 2011, is to be paid from profits earned during the year ended December 31, 2010. The balance of the fiscal year's profits will be allocated to the Company's retained earnings account.

Upon approval of this resolution, it is proposed that the Board be authorized to determine or amend, in its discretion, any of the terms and conditions (including payment date) of the dividend payment.

5. Discharge to the members of the Board of Directors for the exercise of their mandate during the year ended December 31, 2010.

In accordance with applicable Luxembourg law and regulations, it is proposed that, upon approval of the Company's annual accounts as at December 31, 2010, all who were members of the Board during the year ended December 31, 2010 be discharged from any liability in connection with the management of the Company's affairs during such year.

6. Election of the members of the Board of Directors.

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

Under the Company's Articles of Association and applicable U.S. laws and regulations, the Company is required to have an Audit Committee comprised solely of directors who are independent.

The current Board of the Company consists of ten directors. Three members of the Board (Messrs. Jaime Serra Puche, Amadeo Vázquez y Vázquez and Roberto Monti) qualify as independent directors under the Company's Articles of Association and applicable law and are members of the Audit Committee.

It is proposed that (i) the number of members of the Board be maintained at ten and (ii) all of the current members of the Board be re-elected.

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

1. Roberto Bonatti. Mr. Bonatti is a member of the Board. He is a grandson of Agostino Rocca, founder of the Techint group, a group of companies controlled by San Faustin S.A. ("San Faustin"). Throughout his career in the Techint group he has been involved specifically in the engineering and construction and corporate sectors. He was first employed by the Techint group in 1976, as deputy resident engineer in Venezuela. In 1984, he became a director of San Faustin, and since 2001 he has served as its president. In addition, Mr. Bonatti currently serves as president of Tecpetrol S.A. ("Tecpetrol") and Techint Compañía Técnica Internacional S.A.C.I. He is also a member of the board of directors of Ternium S.A. ("Ternium"), Siderca S.A.I.C. ("Siderca") and Siderar S.A.I.C. ("Siderar"). Mr. Bonatti is an Italian citizen.

2. Carlos Condorelli. Mr. Condorelli is a member of the Board. He served as our chief financial officer from October 2002 until September 2007. He is also a board member of Ternium. He began his career within the Techint group in 1975 as an analyst in the accounting and administration department of Siderar. He has held several positions within Tenaris and other Techint group companies, including finance and administration director of Tubos de Acero de México, S.A. ("Tamsa") and president of the board of directors of Empresa Distribuidora La Plata S.A., or Edelap, an Argentine utilities company. Mr. Condorelli is an Argentine citizen.

3. Carlos Franck. Mr. Franck is a member of the Board. He is president of Santa María S.A.I.F. and Inverban S.A. and a member of the board of directors of Siderca, Techint Financial Corporation N.V., Techint Holdings S.à.r.l., Siderar and Tecgas N.V. He has financial, planning and control responsibilities in subsidiaries of San Faustin. He serves as treasurer of the Di Tella University. Mr. Franck is an Argentine citizen.

4. Roberto Monti. Mr. Monti is a member of the Board. He is the non-executive chairman of Trefoil Limited and a member of the board of directors of Petrobras Energia. He has served as vice president of Exploration and Production of Repsol YPF and chairman and chief executive officer of YPF. He was also president of Dowell, a subsidiary of Schlumberger and president of Schlumberger Wire & Testing division for East Hemisphere Latin America. Mr. Monti is an Argentine citizen.

5. Gianfelice Mario Rocca. Mr. Rocca is a member of the Board. He is a grandson of Agostino Rocca. He is chairman of the board of directors of San Faustin, a member of the board of directors of Ternium, president of the Humanitas Group, honorary president of the board of directors of Techint Compagnia Tecnica Internazionale S.p.A. and president of Tenova S.p.A. In addition, he sits on the board of directors or executive committees of several companies, including Allianz S.p.A and Buzzi Unicem. He is vice president of Confindustria, the leading association of Italian industrialists. He is a member of the Advisory Board of Allianz Group, the Trilateral Commission and the European Advisory Board of the Harvard Business School. Mr. Rocca is an Italian citizen.

6. Paolo Rocca. Mr. Rocca is chairman of the Board and our chief executive officer. He is a grandson of Agostino Rocca. He is also chairman of the board of directors of Tamsa. He is also chairman of the board of directors of Ternium, director and vice president of San Faustin and director of Techint Financial Corporation N.V. Mr. Rocca is vice chairman of the World Steel Association and a member of the International Advisory Committee of the NYSE Euronext (New York Stock Exchange). Mr. Rocca is an Italian citizen.

7. Jaime Serra Puche. Mr. Serra Puche is a member of the Board. He is chairman of SAI Consultores, a Mexican consulting firm, and a member of the board of directors of Chiquita Brands International, the Mexico Fund, Grupo Vitro, Grupo Modelo and Grupo Financiero BBVA Bancomer. 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. Alberto Valsecchi. Mr. Valsecchi is a member of the Board. He served as our chief operating officer from February 2004 until July 2007. He joined the Techint group in 1968 and has held various positions within Tenaris and other Techint group companies. He has retired from his executive positions. He is also a member of the board of directors of San Faustin and has been elected as the chairman of the board of directors of Dalmine, a position he assumed in May 2008. Mr. Valsecchi is an Italian citizen.

9. Amadeo Vázquez y Vázquez. Mr. Vázquez y Vázquez is a member of the Board. He is an independent member of the board of directors of Gas Natural Ban S.A. He is a member of the Asociación Empresaria Argentina, of the Fundación Mediterránea, and of the Advisory Board of the Fundación de Investigaciones Económicas Latinoamericanas. He served as chief executive officer of Banco Río de la Plata S.A. until August 1997 and was also chairman of the board of directors of Telecom Argentina S.A. until April 2007. Mr. Vázquez y Vázquez is a Spanish and Argentine citizen.

10. Guillermo Vogel. Mr. Vogel is a member of the Board. He is vice chairman of Tamsa, chairman of Grupo Collado S.A.B. de C.V., vice chairman of Estilo y Vanidad S.A. de C.V. and member of the board of directors of Alfa S.A.B. de C.V., the American Iron and Steel Institute, the North American Steel Council, the Universidad Panamericana and the IPADE. In addition, he is a member of the board of directors and of the investment committee of the Corporación Mexicana de Inversiones de Capital and a member of the board of directors and the audit committee of HSBC (México). Mr. Vogel is a Mexican citizen.

Each elected director will hold office until the next Annual General Meeting of Shareholders. Should the proposed amendment to the Company's Articles of Association be approved by the Extraordinary General Meeting of Shareholders to be held immediately after the adjournment of the Annual General Meeting of Shareholders, the next Annual General Meeting of Shareholders would be held on May 2, 2012.

The Board met seven times during 2010. On January 31, 2003, the Board created an Audit Committee pursuant to Article 11 of the Company's Articles of Association. As permitted under applicable laws and regulations, the Board does not have any executive, nominating or compensation committee, or any committees exercising similar functions.

7. Compensation of the members of the Board of Directors.

It is proposed that each member of the Board receive an amount of US\$80,000 as compensation for his services during the fiscal year 2011. It is further proposed that the members of the Board who are members of the Audit Committee receive an additional fee of US\$50,000 and that the Chairman of such Audit Committee receive, further, an additional fee of US\$10,000. In all cases, the proposed compensation would be net of any applicable Luxembourg social security charges.

8. Appointment of the independent auditors for the fiscal year ending December 31, 2011, and approval of their fees.

Based on the recommendation from the Audit Committee, the Board recommends a vote FOR the appointment of PricewaterhouseCoopers S.à.r.l., Réviseur d'entreprises agréé (member firm of PricewaterhouseCoopers) as the

Company's independent auditors for the fiscal year ending December 31, 2011, to be engaged until the next Annual General Meeting of Shareholders that will be convened to decide on the 2011 accounts.

In addition, the Board recommends a vote FOR approval of the independent auditors' fees for audit, audit-related and other services to be rendered during the fiscal year ending December 31, 2011, broken-down into five currencies (Argentine Pesos, Brazilian reais, Euro, Mexican Pesos, and U.S. Dollars), up to a maximum amount for each currency equal to AR\$7,639,578, BR\$399,378, €1,400,546, MX\$4,536,343, and US\$1,216,570. Such fees would 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, other audit-related services, and other services rendered by the independent auditors. For information purposes, based on the exchange rate between the U.S. Dollar and each applicable other currency as of December 31, 2010, the aggregate amount of fees for audit, audit-related and other services to be rendered by the independent auditors during the fiscal year ending December 31, 2011, is equivalent to US\$5,615,450.

The Board also recommends a vote FOR the granting of an authorization to its Audit Committee to approve any increase or reallocation of the independent auditors' fees as may be necessary, appropriate or desirable under the circumstances.

9. 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 is permitted by any applicable laws or regulations.

In order to expedite communications to shareholders and ensure their timely delivery, the Board 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 an annual report on 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 website, or by sending electronic communications (emails) with attachment(s) 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 as is or may be permitted by any applicable laws or regulations.

In this resolution the Company seeks authorization under Article 16 of the Luxembourg Transparency Law of 11 January 2008 to give, send or supply information (including any notice or other document) that is required or authorized to be given, sent or supplied to a shareholder by the Company whether required under the Company's Articles of Association or by any applicable law or any other rules or regulations to which the Company may be subject, by making such information (including any notice or other document) available on the Company's website or through other electronic means.

Extraordinary General Meeting of Shareholders

1. Adaptation of the Company's Articles of Association to the abolishment of the law of July 31, 1929, and the termination of the holding company status thereunder by:

(i) the amendment of article 1 of the Company's Articles of Association to read as follows: "Tenaris S.A. is a société anonyme governed by these Articles of Association and by the applicable laws and regulations of the Grand Duchy of Luxembourg".

(ii) the amendment to article 2 of the Company's Articles of Association by replacing its last paragraph with the following: "In general, the Company may carry out any permitted activities which it may deem appropriate or necessary for the accomplishment of its corporate object".

Following termination of Luxembourg's 1929 holding company regime under which the Company was originally established, the Board recommends that the Company's Articles of Association be amended to eliminate references in article 1 and article 2 thereof to the law of July 31, 1929, which has been abolished. Accordingly, the Board recommends a vote FOR the adaptation of the Company's Articles of Association to the abolishment of the law of July 31, 1929, and the termination of the holding company status thereunder by the amendment of the Company's Articles of Association as set forth above.

2. Change of the date of the annual general meeting of shareholders so that it be held on the first Wednesday of May of each year at 11:00 a.m., and consequential amendment to article 15 of the Company's Articles of Association by replacing its first paragraph with the following: "The annual general meeting shall meet each year in the city of Luxembourg at the place indicated in the notices of meeting on the first Wednesday of May at 11:00 a.m. If such day falls on a legal or banking holiday in Luxembourg, the general shareholders meeting shall be held on the first business day thereafter".

The Board recommends to change the date of the annual general meeting of shareholders of the Company so that it be held on the first Wednesday of May of each year at 11:00 a.m. Accordingly, the Board recommends a vote FOR the amendment of the Company's Articles of Association as set forth above.

* * * * *

The Company expects that the Extraordinary General Meeting of Shareholders to be held immediately after the adjournment of the Annual General Meeting of Shareholders, will approve the proposed amendment to the Company's Articles of Association to change the date of the Annual General Meeting of Shareholders. Accordingly, the Company anticipates that the next Annual General Meeting of Shareholders would be held on May 2, 2012. Any shareholder who intends to present a proposal to be considered at the next Annual General Meeting of Shareholders is requested to submit its 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 February 15, 2012, or in accordance with the procedures set forth under applicable Luxembourg law, in order for such proposal to be considered for inclusion on the agenda for the 2012 Annual General Meeting of Shareholders.

PricewaterhouseCoopers are the Company's independent auditors. A representative of the independent auditors will be present at the meeting to respond to questions.

Cecilia Bilesio
Secretary to the Board of Directors

TENARIS S.A.
ANNUAL REPORT 2010

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COMPANY PROFILE

Tenaris is a leading supplier of tubes and related services for the world's energy industry and certain other industrial applications. Our mission is to deliver value to our customers through product development, manufacturing excellence and supply chain management. We seek to minimize risk for our customers and help them reduce costs, increase flexibility and improve time-to-market. Our employees around the world are committed to continuous improvement by sharing knowledge across a single global organization.

LETTER FROM THE CHAIRMAN

Dear Shareholders,

Global demand for oil and gas recovered in 2010 fuelled by the economic development of Asian and other major non-OECD nations. To meet growing demand, oil and gas companies are increasing exploration and production expenditure and activity in complex operating environments. And with natural gas expected to play an increasingly important role in the global energy matrix, major operators are investing in shale and other natural gas developments. Recent events in Japan and Libya are likely to reinforce these trends.

Customers and regulators are introducing more stringent operating standards and procedures in response to the tragic blowout of the Macondo well, which halted U.S. Gulf of Mexico deepwater operations. As the leader in our industry, operational excellence, focused on safety, quality, reliability and the environment, has long been the core of our customer value proposition and we are working to ensure that it remains so.

Our capital expenditure reached a record level of US\$847 million in 2010 as we continued to position the company to meet the market requirements expected in this energy cycle.

Our new rolling mill in Veracruz will reach full production capacity in the second half of this year, once the heat treatment, threading and inspection lines start up. The mill, which produced its first tube in November, was constructed within its original 25-month schedule and in line with its budget of US\$850 million. Incorporating state-of-the-art production technology, the new mill extends our product capabilities, increases capacity, improves the overall productivity of our operations and reduces costs.

In Italy, we completed the repositioning of our Dalmine mill, investing to extend the range of high-end products, particularly for deepwater and other offshore applications, and to improve productivity and environmental performance. In the United States, we brought on stream new tubing and heat treatment facilities. These and other investments will strengthen our competitive position.

Our Dopeless→ technology is gaining increased customer recognition. The technology offers exceptional operational and environmental benefits for a wide variety of drilling operations. Today 40% of our OCTG sales in the North Sea area are threaded with Dopeless® connections. Elsewhere, Dopeless® products have been tried and tested by customers in a wide variety of applications including thermal wells in Canada, deepwater wells in Angola, jungle wells in Peru, arctic conditions in Russia and desert conditions in Libya.

In North America, we have consolidated a leading position in a market where demand has recovered rapidly. We are focused on growing market sectors such as shale drilling and thermal projects, which require new product and service solutions. Our sales to shale drilling operations now account for 40% of our U.S. OCTG sales. To support these operations, we successfully developed and introduced our new TenarisXP™ connection and opened local offices providing technical services in Pittsburgh and Denver.

In South America, we enhanced our competitive position in the fast-growing Colombian market by establishing a new yard to serve Ecopetrol's operations and extending our just-in-time service model. In Brazil, although pipeline construction activity slowed down markedly, offshore drilling activity continues to grow. We are working closely with Petrobras and other operators and have supplied casing and premium connections from our plant in Brazil to all of the wells drilled in the Santos basin.

In the Eastern Hemisphere, our regional headquarters in Dubai and our premium threading facility in Saudi Arabia are fully operational and we are starting to see the benefits of closer contact with customers. In Iraq, we were able to move quickly to establish a leading market position in the reactivation of the oil and gas industry. Throughout the region, exploration activity is increasing and complex projects are being undertaken in areas like West Africa, Poland, Russia, the Caspian and Australasia, where our technology, service and local presence allow us to provide differentiated solutions to our customers.

Our environmental performance, as reflected in our energy intensity and Co2 emissions indicators, improved as production recovered to more stable levels at most of our industrial facilities and we saw some initial results from an energy saving project we launched in 2009. However, our safety indicators declined following several years of continuous improvement, in a context where we incorporated many newly hired workers for our operations and had many contractors involved in plant construction activities. Consequently, we have introduced new procedures and training particularly oriented towards induction processes. We are also reinforcing our efforts in analyzing and taking preventive measures to reduce risks in our operations worldwide. The health and safety of our employees and the protection of the environment are clear and integrated priorities at Tenaris, along with the satisfaction of our customers and the development of the communities where we have our operations. We are committed to delivering a constant improvement in our performance in these areas and I am confident that we will do so.

Our results for the year only partially reflect the progress we have made. Pipe shipments rose 18%, but revenues and operating income declined, as prices fell reflecting a post-crisis competitive environment with excess capacity particularly for standard products. Earnings per share declined 3% in 2010, but we are confident that, with the investments we have made and a growing market, our results will improve in 2011. We are proposing to maintain the dividend at last year's level of US\$0.34 per share (US\$0.68 per ADS). This includes the interim dividend of US\$ 0.13 per share (US\$0.26 per ADS) paid in November 2010. If approved, the balance of the dividend is expected to be paid in June.

This was a year when the worst effects of the crisis were put behind us. Our employees have worked hard in responding to the challenges of the competitive environment. I want to thank all of them for their efforts and also express my thanks to our customers, suppliers and shareholders for their continuous support and confidence in Tenaris.

April 14, 2011

Paolo Rocca

MANAGEMENT REPORT

CERTAIN DEFINED TERMS

Unless otherwise specified or if the context so requires:

References in this annual report to “the Company” refer exclusively to Tenaris S.A., a Luxembourg public limited liability company (société anonyme).

References in this annual report to “Tenaris”, “we”, “us” or “our” refer to Tenaris S.A. and its consolidated subsidiaries. See Accounting Policies A, B and L to our audited consolidated financial statements included in this annual report.

References in this annual report to “San Faustin” refer to San Faustin S.A. (formerly known as San Faustin N.V.), a Luxembourg public limited liability company (société anonyme) and the Company’s controlling shareholder.

“Shares” refers to ordinary shares, par value \$1.00, of the Company.

“ADSs” refers to the American Depositary Shares, which are evidenced by American Depositary Receipts, and represent two Shares each.

“tons” refers to metric tons; one metric ton is equal to 1,000 kilograms, 2,204.62 pounds, or 1.102 U.S. (short) tons.

“billion” refers to one thousand million, or 1,000,000,000.

“dollars”, “U.S. dollars”, “US\$” or “\$” each refers to the United States dollar.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Accounting Principles

We prepare our consolidated financial statements in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the European Union, or IFRS.

We publish consolidated financial statements expressed in U.S. dollars. Our consolidated financial statements included in this annual report are those as of December 31, 2010 and 2009, and for the years ended December 31, 2010, 2009 and 2008.

Rounding

Certain monetary amounts, percentages and other figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This annual report and any other oral or written statements made by us to the public may contain “forward-looking statements”. Forward looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements.

We use words such as “aim”, “will likely result”, “will continue”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “show”, “pursue”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe” and words and terms of similar substance to identify forward-looking statements, but they are not the only way we identify such statements. This annual report contains forward-looking statements, including with respect to certain of our plans and current goals and expectations relating to Tenaris’s future financial condition and performance. Sections of this annual report that by their nature contain forward-looking statements include, but are not limited to, “Business Overview”, “Principal Risks and Uncertainties”, and “Operating and Financial Review and Prospects”. In addition to the risks related to our business discussed under “Principal Risks and Uncertainties”, other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to:

our ability to implement our business strategy or to grow through acquisitions, joint ventures and other investments;

the competitive environment and our ability to price our products and services in accordance with our strategy;

trends in the levels of investment in oil and gas exploration and drilling worldwide;

general macroeconomic and political conditions in the countries in which we operate or distribute pipes; and

our ability to absorb cost increases and to secure supplies of essential raw materials and energy.

By their nature, certain disclosures relating to these and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses that may affect our financial condition and results of operations could differ materially from those that have been estimated. You should not place undue reliance on the forward-looking statements, which speak only as of the date of this annual report. Except as required by law, we are not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Leading indicators	2010	2009	2008
SALES VOLUMES (thousands of tons)			
Tubes-Seamless	2,206	1,970	2,818
Tubes-Welded	744	346	1,057
Tubes-Total	2,950	2,316	3,875
Projects-Welded	170	334	591
Total –Tubes+Projects	3,120	2,650	4,466
PRODUCTION VOLUMES (thousands of tons)			
Tubes-Seamless	2,399	1,770	3,005
Tubes-Welded	772	249	999
Tubes-Total	3,171	2,019	4,004
Projects-Welded	230	291	548
Total –Tubes+Projects	3,401	2,310	4,552
FINANCIAL INDICATORS (millions of \$)			
Net sales	7,712	8,149	11,988
Operating income	1,574	1,814	3,126
EBITDA (1)	2,013	2,318	4,044
Net income	1,141	1,208	2,276
Cash flow from operations	871	3,064	1,465
Capital expenditures	847	461	443
BALANCE SHEET (millions of \$)			
Total assets	14,364	13,483	15,101
Total financial debt	1,244	1,447	2,977
Net financial debt/ (cash) (2)	(276)	(676)	1,392
Total liabilities	3,814	3,762	6,399
Shareholders' equity including non-controlling interests	10,551	9,721	8,702
PER SHARE / ADS DATA (\$ PER SHARE / PER ADS)(3)			
Number of shares outstanding (4) (thousands of shares)	1,180,537	1,180,537	1,180,537
Earnings per share	0.95	0.98	1.80
Earnings per ADS	1.91	1.97	3.60
Dividends per share (5)	0.34	0.34	0.43
Dividends per ADS (5)	0.68	0.68	0.86
ADS Stock price at year-end	48.98	42.65	20.98
Number of employees (4)	25,422	22,591	23,873

1. Defined as operating income plus depreciation, amortization and impairment charges/(reversals).

2. Defined as borrowings less cash and cash equivalents and other current investments.

3. Each ADS represents two shares.

4. As of December 31.

5. Proposed or paid in respect of the year.

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Information on Tenaris Overview

We are a leading global manufacturer and supplier of steel pipe products and related services for the world's energy industry and for other industrial applications. Our customers include most of the world's leading oil and gas companies as well as engineering companies engaged in constructing oil and gas gathering, transportation, processing and power generation facilities. Our principal products include casing, tubing, line pipe, and mechanical and structural pipes. Over the last two decades, we have expanded our business globally through a series of strategic investments. We now operate an integrated worldwide network of steel pipe manufacturing, research, finishing and service facilities with industrial operations in the Americas, Europe, Asia and Africa and a direct presence in most major oil and gas markets.

Our mission is to deliver value to our customers through product development, manufacturing excellence, and supply chain management. We seek to minimize risk for our customers and help them reduce costs, increase flexibility and improve time-to-market. Our employees around the world are committed to continuous improvement by sharing knowledge across a single global organization.

History and Development of Tenaris

Tenaris began with the formation of Siderca S.A.I.C., or Siderca, the sole Argentine producer of seamless steel pipe products, by San Faustin's predecessor in Argentina in 1948. We acquired Siat, an Argentine welded steel pipe manufacturer, in 1986. We grew organically in Argentina and then, in the early 1990s, began to evolve beyond this initial base into a global business through a series of strategic investments. These investments included the acquisition, directly or indirectly, of controlling or substantial interests in the following companies:

Tubos de Acero de México S.A., or Tamsa, the sole Mexican producer of seamless steel pipe products (June 1993);

Dalmine S.p.A., or Dalmine, a leading Italian producer of seamless steel pipe products (February 1996);

Tubos de Acero de Venezuela S.A., or Tavsa, the sole Venezuelan producer of seamless steel pipe products (October 1998)¹;

Confab Industrial S.A., or Confab, the leading Brazilian producer of welded steel pipe products (August 1999);

NKKTubes, a leading Japanese producer of seamless steel pipe products (August 2000);

Algoma Tubes Inc., or AlgomaTubes, the sole Canadian producer of seamless steel pipe products (October 2000);

S.C. Silcotub S.A., or Silcotub, a leading Romanian producer of seamless steel pipe products (July 2004);

Maverick Tube Corporation, or Maverick, a leading North American producer of welded steel pipe products with operations in the U.S., Canada and Colombia (October 2006);

Hydril Company, or Hydril, a leading North American manufacturer of premium connection products for oil and gas drilling production (May 2007); and

Seamless Pipe Indonesia Jaya, or SPIJ, an Indonesian OCTG processing business with heat treatment and premium connection threading facilities (April 2009).

In addition, we have established a global network of pipe finishing, distribution and service facilities with a direct presence in most major oil and gas markets and a global network of research and development centers.

1 In 2009, the Venezuelan government announced the nationalization of Tavsá. For more information on the Tavsá nationalization process, see note 32 “Processes in Venezuela-Nationalization of Venezuelan Subsidiaries” to our consolidated financial statements included in this annual report.

Business Overview

Our business strategy is to continue expanding our operations worldwide and further consolidate our position as a leading global supplier of high-quality tubular products and services to the energy and other industries by:

pursuing strategic investment opportunities in order to strengthen our presence in local and global markets;

expanding our comprehensive range of products and developing new high-value products designed to meet the needs of customers operating in increasingly challenging environments;

securing an adequate supply of production inputs and reducing the manufacturing costs of our core products; and

enhancing our offer of technical and pipe management services designed to enable customers to optimize their selection and use of our products and reduce their overall operating costs

Pursuing strategic investment opportunities and alliances

We have a solid record of growth through strategic investments and acquisitions. We pursue selective strategic investments and acquisitions as a means to expand our operations and presence in selected markets, enhance our global competitive position and capitalize on potential operational synergies. Our track record on companies' acquisitions is described above (See "History and Development of Tenaris").

Developing high-value products

We have developed an extensive range of high-value products suitable for most of our customers' operations using our network of specialized research and testing facilities and by investing in our manufacturing facilities. As our customers expand their operations, we seek to supply high-value products that reduce costs and enable them to operate safely in increasingly challenging environments.

Securing inputs for our manufacturing operations

We seek to secure our existing sources of raw material and energy inputs, and to gain access to new sources, of low-cost inputs which can help us maintain or reduce the cost of manufacturing our core products over the long term.

Enhancing our offer of technical and pipe management services

We continue to enhance our offer of technical and pipe management services for our customers worldwide. Through the provision of these services, we seek to enable our customers to optimize their operations, reduce costs and to concentrate on their core businesses. They are also intended to differentiate us from our competitors and further strengthen our relationships with our customers worldwide through long-term agreements.

Our Competitive Strengths

We believe our main competitive strengths include:

our global production, commercial and distribution capabilities, offering a full product range with flexible supply options backed up by local service capabilities in important oil and gas producing and industrial regions around the world;

our ability to develop, design and manufacture technologically advanced products;

our solid and diversified customer base and historic relationships with major international oil and gas companies around the world, and our strong and stable market shares in the countries in which we have manufacturing operations;

our proximity to our customers;

our human resources around the world with their diverse knowledge and skills;

our low-cost operations, primarily at state-of-the-art, strategically located production facilities with favorable access to raw materials, energy and labor, and 50 years of operating experience; and

our strong financial condition.

Business Segments

Our business is organized in two major business segments: Tubes and Projects, which are also the reportable operating segments.

In identifying our reportable operating segments, we considered the nature of our products and services, the nature of our production processes, the type or class of customer for our products and services, the method used to distribute our products or provide the related services, the economic characteristics and financial effects of our business activities, and the related economic environment in which we operate.

The Tubes segment includes the production and sale of both seamless and welded steel tubular products and related services mainly for the oil and gas industry, particularly oil country tubular goods (OCTG) used in drilling operations, and for other industrial applications with production processes that consists in the transformation of steel into tubular products. Business activities included in this segment are mainly dependent on the oil and gas industry worldwide, as this industry is a major consumer of steel pipe products, particularly OCTG used in drilling activities. Demand for steel pipe products from the oil and gas industry has historically been volatile and depends primarily upon the number of oil and natural gas wells being drilled, completed and reworked, and the depth and drilling conditions of these wells. Sales are generally made to end users, with exports being done through a centrally managed global distribution network and domestic sales made through local subsidiaries.

The Projects segment includes the production and sale of welded steel pipe products mainly used in the construction of major pipeline projects for the transportation of gas and fluids with a production process that consists in the transformation of steel into large diameter welded tubular products, including SAW process and specific coating for most of the products. Pipeline projects are typically spread along hundreds of kilometers and are subject to specific government policies and other regulations. Accordingly, this business depends to a large extent on the number of active pipeline projects (and not on the level of drilling activity), particularly in the South American regional market, which is the region from which most revenues in this segment are derived. To a significant extent, products are distributed directly to end customers through local subsidiaries. Orders are generally for significant volumes of product and require deliveries over an extended period of time.

The Other segment includes all other business activities and operating segments that are not required to be separately reported, including the production and selling of sucker rods, welded steel pipes for electric conduits, industrial equipment and raw materials that exceed our internal requirements.

Our Products

Our principal finished products are seamless and welded steel casing and tubing, line pipe and various other mechanical and structural steel pipes for different uses. Casing and tubing are also known as oil country tubular goods or OCTG. In our Projects business segment we also produce large diameter welded steel pipes for oil and gas pipelines. We manufacture our steel pipe products in a wide range of specifications, which vary in diameter, length, thickness, finishing, steel grades, threading and coupling. For most complex applications, including high pressure and high temperature applications, seamless steel pipes are usually specified and, for some standard applications, welded steel pipes can also be used.

Casing. Steel casing is used to sustain the walls of oil and gas wells during and after drilling.

Tubing. Steel tubing is used to conduct crude oil and natural gas to the surface after drilling has been completed.

Line pipe. Steel line pipe is used to transport crude oil and natural gas from wells to refineries, storage tanks and loading and distribution centers.

Mechanical and structural pipes. Mechanical and structural pipes are used by general industry for various applications, including the transportation of other forms of gas and liquids under high pressure.

Cold-drawn pipe. The cold-drawing process permits the production of pipes with the diameter and wall thickness required for use in boilers, superheaters, condensers, heat exchangers, automobile production and several other industrial applications.

Premium joints and couplings. Premium joints and couplings are specially designed connections used to join lengths of steel casing and tubing for use in high temperature or high pressure environments. A significant portion of our steel casing and tubing products are supplied with premium joints and couplings. We own an extensive range of premium connections, and following the integration of Hydril's premium connections business, we market our premium connection products under the TenarisHydril brand name. In addition, we hold licensing rights to manufacture and sell the Atlas Bradford range of premium connections outside of the United States.

Coiled tubing. Coiled tubing is used for oil and gas drilling and well workovers and for subsea pipelines.

Other Products. We also manufacture sucker rods used in oil extraction activities, industrial equipment of various specifications and diverse applications, including liquid and gas storage equipment, and welded steel pipes for electric conduits used in the construction industry. In addition, we sell raw materials that exceed our internal requirements.

Research and Development

Research and development, or R&D, of new products and processes to meet the increasingly stringent requirements of our customers is an important aspect of our business.

R&D activities are carried out primarily at our specialized research facilities located at our Campana plant in Argentina, at our Veracruz plant in Mexico, at our Dalmine plant in Italy, at the product testing facilities of NKK Tubes in Japan and at the research facilities of the Centro Sviluppo Materiali S.p.A, or CSM, in Rome. We have an 8% interest in CSM, which was acquired in 1997. Product development and research currently being undertaken are focused on the increasingly challenging energy markets and include:

proprietary premium joint products including Dopeless® technology;

heavy wall deep water line pipe and risers;

proprietary steels;

tubes and components for the car industry and mechanical applications;

tubes for boilers; and

welded pipes for oil and gas and other applications.

In addition to R&D aimed at new or improved products, we continuously study opportunities to optimize our manufacturing processes. Recent projects in this area include modeling of rolling and finishing process and the development of different process controls, with the goal of improving product quality and productivity at our facilities.

We spent \$61.8 million for R&D in 2010, compared to \$62.7 million in 2009.

TURNING WORDS INTO REALITY

In October 2008, in spite of the global financial crisis, Tenaris confirmed its commitment to move ahead with an ambitious US\$850 million investment plan for the construction of a new state-of-the-art hot rolling mill in Tenaris's facilities in Veracruz, Mexico.

Just 25 months later, on November 19, 2010, thanks to the combined work of thousands of people, Tenaris's Tamsa mill rolled its first pipe at its new rolling mill, on time and on budget. It was proof of the company's execution capacity and an achievement made possible by the effort of all those who participated in the project; from design, engineering and construction to mechanical assembly, logistics, operations, maintenance and start-up.

The new rolling mill is the main component in a realignment of Tenaris's industrial system worldwide, which will make operations more efficient and reduce their environmental impact. The new rolling mill incorporates the latest rolling technology and can produce 2 3/8" up to 7" seamless pipes, expanding our product offer and optimizing response times for local customers such as Pemex and certain international companies. The new plant is expected to be fully operational by the second quarter of 2011 after the completion of the heat treatment inspection and finishing facilities.

The new rolling mill was designed following the highest safety, technological, engineering and environmental standards. It will also become a model for future investments, as it is a tangible example of our ability to integrate the most advanced technology with the vast industrial experience that the company has acquired throughout its 50-year history.

"This new mill will bring many benefits to Tenaris's entire industrial operations. By incorporating state-of-the-art rolling mill technology, it will extend our product capabilities, it will increase capacity, improve the overall productivity of our operations and reduce costs." said Tenaris's CEO Paolo Rocca during a conference call with investors in November 2010. "We are very proud of our performance in the startup of mill. We started design two years ago, we started moving steel works a year ago, and we completed the mill."

Facts

Located adjacent to our existing facilities in Veracruz, the new seamless pipes facility was built in an area that extends over more than 200 hectares / 494 acres. The new plant, with a production capacity of 450,000 metric tons per year, incorporates the latest rolling technology and will produce from 2 3/8" up to 7" seamless pipe, expanding the product offer and optimizing response times.

The new facility required an investment of approximately US\$850 million, focusing on building a competitive and state-of-the-art rolling mill as well as premium threading, finishing and heat treatment lines.

Environmentally efficient design

From the start, Tenaris has focused efforts on making this facility qualify for the Leadership in Energy and Environmental Design (LEED) certification in the "New Construction" category under the United States Green Building Council (USGBC) standards. As such it would be the world's first industrial building of its type to receive this certificate.

The LEED certification is the leading recognition for sustainable facilities in the United States and around the world. In order to obtain this certification, environmentally efficient elements were incorporated into the mill's construction, including efficient and sustainable use of land, water, energy and air, as well as the preservation of material and natural resources.

In Numbers

~ US\$850 million investment.

3,000 people worked directly on the construction in the highest peak.

25 months to startup.

450,000 tons per year estimated production capacity.

85,000 m2 of industrial building constructed.

12,000 tons of equipment installed.

Tenaris in numbers

Trend information

Leading indicators

13

Principal Risks and Uncertainties

We face certain risks associated to our business and the industry in which we operate. We are a global steel pipe manufacturer with a strong focus on manufacturing products and related services for the oil and gas industry. Demand for our products depends primarily on the level of exploration, development and production activities of oil and gas companies which is affected by current and expected future prices of oil and natural gas. Several factors, such as the supply and demand for oil and gas, and political and global economic conditions, affect these prices. The global financial and economic crisis, which started in September 2008 and lasted through much of 2009, resulted in a significant decline in oil and gas prices, affected the level of drilling activity and triggered efforts to reduce inventories, adversely affecting demand for our products and services. This had, and to some extent continues to have, a negative impact on our business, revenues, profitability and financial position. The global economy began to recover in the second half of 2009, but the recovery has been slow and uncertain. Although shipments in our tubes operating segment increased significantly over the last year, net sales were flat and sales of steel pipe products for pipeline projects have been adversely affected by a strong slowdown of major regional projects. Performance may be further affected by changes in governmental policies, the impact of credit restrictions on our customers' ability to perform their payment obligations with us and any adverse economic, political or social developments in our major markets. In turn, our profitability may be hurt if increases in our selling prices are offset by increases in the cost of raw materials and energy. Although we responded well to the crisis, another recession or an extended period of below-trend growth in the economies that are major consumers of steel products would adversely affect our recovery.

We have significant operations in various countries, including Argentina, Brazil, Canada, Colombia, Italy, Japan, Mexico, Romania and the United States, and we sell our products and services throughout the world. Therefore, like other companies with worldwide operations, our business and operations have been, and could in the future be, affected from time to time to varying degrees by political developments, events, laws and regulations (such as nationalization, expropriations or forced divestiture of assets; restrictions on production, imports and exports, interruptions in the supply of essential energy inputs; exchange and/or transfer restrictions, inability to repatriate income or capital; inflation; devaluation; war or other international conflicts; civil unrest and local security concerns, including high incidences of crime and violence involving drug trafficking organizations that threaten the safe operation of our facilities and operations; direct and indirect price controls; tax increases; changes in the interpretation or application of tax laws and other retroactive tax claims or challenges; changes in laws, norms and regulations; cancellation of contract rights; and delays or denials of governmental approvals). As a global company, a portion of our business is carried out in currencies other than the U.S. dollar, which is the Company's functional currency. As a result, we are exposed to foreign exchange rate risk, which could adversely affect our financial position and results of operations.

In 2009, Venezuela's President Hugo Chávez announced the nationalization of Tavsa, Matesi and Comsigua and Venezuela formally assumed exclusive operational control over the assets of Tavsa. In 2010, Venezuela's National Assembly declared Matesi's assets to be of public and social interest and ordered the Executive Branch to take the necessary measures for the expropriation of such assets. Our investments in Tavsa, Matesi and Comsigua are protected under applicable bilateral investment treaties, including the bilateral investment treaty between Venezuela and the Belgian-Luxembourgish Union, and Tenaris continues to reserve all of its rights under contracts, investment treaties and Venezuelan and international law, and to consent to the jurisdiction of the ICSID in connection with the nationalization process. However, we can give no assurance that the Venezuelan government will agree to pay a fair and adequate compensation for our interest in Tavsa, Matesi and Comsigua, or that any such compensation will be freely convertible into or exchangeable for foreign currency. We may be forced to engage in litigation procedures to enforce our rights under contracts, investment treaties and Venezuelan and international law, and the time, costs and management efforts associated with such litigation may be significant. For further information on the nationalization of the Venezuelan subsidiaries, see note 32 "Processes in Venezuela-Nationalization of Venezuelan Subsidiaries" to our audited consolidated financial statements included in this annual report.

A key element of our business strategy is to develop and offer higher value-added products and services and to continuously identify and pursue growth-enhancing strategic opportunities. We must necessarily base any assessment of potential acquisitions and partnerships on assumptions with respect to operations, profitability and other matters that may subsequently prove to be incorrect. Failure to successfully implement our strategy, or to integrate future acquisitions and strategic partnerships, or to sell acquired assets or business unrelated to our business under favorable terms and conditions, could affect our ability to grow, our competitive position and our sales and profitability. In addition, failure to agree with our joint venture partner in Japan on the strategic direction of our joint operations may have an adverse impact on our operations in Japan.

We may be required to record a significant charge to earnings if we must reassess our goodwill or other intangible assets as a result of changes in assumptions underlying the carrying value of certain assets, particularly as a consequence of deteriorating market conditions. At December 31, 2010 we had \$1,804.7 million in goodwill corresponding mainly to the acquisition of Hydril (\$919.9 million) and Maverick (\$771.3 million). No impairment charge was recorded in 2010 nor in 2009. In 2008 we recorded an impairment charge for \$502.9 million (of which \$394.3 million correspond to Maverick). We cannot assure that further impairment charges will not be required in the future. In 2010, we reversed \$67.3 million of this impairment, which correspond to Prudential's customer relationships.

Potential environmental, product liability and other claims arising from the inherent risks associated with the products we sell and the services we render, including well failures, line pipe leaks, blowouts, bursts and fires, that could result in death, personal injury, property damage, environmental pollution or loss of production could create significant liabilities for us. Environmental laws and regulations may, in some cases, impose strict liability (even joint and several strict liability) rendering a person liable for damages to natural resources or threats to public health and safety without regard to negligence or fault. In addition, we are subject to a wide range of local, provincial and national laws, regulations, permit requirements and decrees relating to the protection of human health and the environment, including laws and regulations relating to hazardous materials and radioactive materials and environmental protection governing air emissions, water discharges and waste management. Laws and regulations protecting the environment have become increasingly complex and more stringent and expensive to implement in recent years. The cost of complying with such regulations is not always clearly known or determinable since some of these laws have not yet been promulgated or are under revision. These costs, along with unforeseen environmental liabilities, may increase our operating costs or negatively impact our net worth.

We conduct business in certain countries known to experience governmental corruption. Although we are committed to conducting business in a legal and ethical manner in compliance with local and international statutory requirements and standards applicable to our business, there is a risk that our employees or representatives may take actions that violate applicable laws and regulations that generally prohibit the making of improper payments to foreign government officials for the purpose of obtaining or keeping business, including laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions such as the U.S. Foreign Corrupt Practices Act. For a discussion of an ongoing investigation by the audit committee of the Company's board of directors of certain matters related to these laws, see Note 26 "Contingencies, commitments and restrictions to the distribution of profits – Contingencies – Ongoing investigation" to our audited consolidated financial statements included in this annual report. Violations of the foregoing laws could result in monetary or other penalties against us or our subsidiaries, including potential criminal sanctions, and could damage our reputation and, therefore, our ability to do business.

As a holding company, our ability to pay expenses, debt service and cash dividends depends on the results of operations and financial condition of our subsidiaries, which could be restricted by legal, contractual or other limitations, including exchange controls or transfer restrictions, and other agreements and commitments of our subsidiaries.

The Company's controlling shareholder may be able to take actions that do not reflect the will or best interests of other shareholders.

Our financial risk management is described in Section III. Financial Risk Management, and our provisions and contingent liabilities are described in accounting policy Q and notes 23, 24 and 26 of our consolidated financial statements included in this annual report.

Corporate Reorganization

The Company was established as a public limited liability company (société anonyme) under Luxembourg's 1929 holding company regime. Until termination of such regime on December 31, 2010, holding companies incorporated under the 1929 regime (including the Company) were exempt from Luxembourg corporate and withholding tax over dividends distributed to shareholders.

On January 1, 2011, the Company became an ordinary public limited liability company (société anonyme) and, effective as from that date, the Company is subject to all applicable Luxembourg taxes, (including, among others, corporate income tax on its worldwide income), and its dividend distributions will generally be subject to Luxembourg withholding tax. However, dividends received by the Company from subsidiaries in high income tax jurisdictions, as defined under Luxembourg law, will continue to be exempt from corporate income tax in Luxembourg under Luxembourg's participation exemption.

In light of the impending termination of Luxembourg's 1929 holding company regime, in the fourth quarter of 2010, the Company carried out a multi-step corporate reorganization, which included, among other transactions, the contribution of most of the Company's assets and liabilities to a wholly-owned, newly-incorporated Luxembourg subsidiary and the restructuring of indirect holdings in certain subsidiaries. The first phase of the corporate reorganization was completed in December 2010, and resulted in a revaluation of the accounting value (under Luxembourg GAAP) of the Company's assets. The second phase of the reorganization is expected to be completed in 2011.

Following the completion of the first phase of the corporate reorganization, and upon its conversion into an ordinary Luxembourg holding company, the Company recorded a special reserve for tax purposes in a significant amount. The Company expects that, as a result of its corporate reorganization, its current overall tax burden will not increase, as all or substantially all of its dividend income will come from high income tax jurisdictions. In addition, the Company expects that dividend distributions for the foreseeable future will be imputed to the special reserve and therefore should be exempt from Luxembourg withholding tax under current Luxembourg law.

Operating and Financial Review and Prospects

The following discussion and analysis of our financial condition and results of operations are based on, and should be read in conjunction with, our audited consolidated financial statements and the related notes included elsewhere in this annual report. This discussion and analysis presents our financial condition and results of operations on a consolidated basis. We prepare our consolidated financial statements in conformity with IFRS, as issued by the IASB and adopted by the European Union.

Certain information contained in this discussion and analysis and presented elsewhere in this annual report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See “Cautionary Statement Concerning Forward-Looking Statements”. In evaluating this discussion and analysis, you should specifically consider the various risk factors identified in “Principal Risks and Uncertainties”, other risk factors identified elsewhere in this annual report and other factors that could cause results to differ materially from those expressed in such forward-looking statements.

Overview

We are a leading global manufacturer and supplier of steel pipe products and related services for the energy industry and other industries.

We are a leading global manufacturer and supplier of steel pipe products and related services for the world’s energy industry as well as for other industrial applications. Our customers include most of the world’s leading oil and gas companies as well as engineering companies engaged in constructing oil and gas gathering and processing and power facilities. Over the last two decades, we have expanded our business globally through a series of strategic investments, and we now operate an integrated worldwide network of steel pipe manufacturing, research, finishing and service facilities with industrial operations in the Americas, Europe, Asia and Africa and a direct presence in most major oil and gas markets.

Our main source of revenue is the sale of products and services to the oil and gas industry, and the level of such sales is sensitive to international oil and gas prices and their impact on drilling activities.

Demand for our products and services from the global oil and gas industry, particularly for tubular products and services used in drilling operations, represents a substantial majority of our total sales. Our sales, therefore, depend on the condition of the oil and gas industry and our customers’ willingness to invest capital in oil and gas exploration and development as well as in associated downstream processing activities. The level of these expenditures is sensitive to oil and gas prices as well as the oil and gas industry’s view of such prices in the future.

A growing proportion of exploration and production spending by oil and gas companies has been directed at offshore, deep drilling and non-conventional drilling operations in which high-value tubular products, including special steel grades and premium connections, are usually specified. Technological advances in drilling techniques and materials are opening up new areas for exploration and development. More complex drilling conditions are expected to continue to demand new and high value products and services in most areas of the world.

In 2010, global drilling activity recovered led by substantially higher oil drilling activity in the United States and Canada. U.S. gas drilling activity also increased driven by investments in shale and liquid rich plays and production from shale gas reached 23% of total U.S. natural gas production in 2010. In the rest of the world, activity increased in most markets reflecting increased demand for energy, stable oil prices at attractive levels and investment in regional gas developments. The international rig count, as published by Baker Hughes, surpassed pre-crisis levels in the third quarter and has continued to climb steadily since then.

We expect that drilling activity will continue to grow in 2011 led by increased exploration activity in Eastern Hemisphere markets, more thermal wells in Canada and higher activity in Iraq.

We estimate that apparent demand for OCTG rose 30% in 2010 compared to 2009 with the most significant increases occurring in the United States, Canada and Russia. In 2011, we expect that demand will grow further with increases occurring in most markets. We also expect that growth in demand for premium products will be higher than that for API products.

We expect that our sales will grow in all our geographical regions in 2011 and that our sales of OCTG, line pipe, power generation and industrial products will increase. Sales in our Projects and Others operating segments are also expected to increase. Although our selling prices are expected to rise, these increases are likely to be initially offset by increases in raw material and other costs. Accordingly, we expect that our sales and operating income will increase in 2011, compared to 2010.

Our business is highly competitive.

The global market for steel pipes is highly competitive, with the primary competitive factors being price, quality, service and technology. We sell our products in a large number of countries worldwide and compete primarily against European and Japanese producers in most markets outside North America. In the United States and Canada we compete against a wide range of local and foreign producers. Competition in markets worldwide has been increasing, particularly for products used in standard applications, as producers in countries like China and Russia increase production capacity and enter export markets.

Our production costs are sensitive to prices of steelmaking raw materials and other steel products.

We purchase substantial quantities of steelmaking raw materials, including ferrous steel scrap, direct reduced iron (DRI), pig iron, iron ore and ferroalloys, for use in our production of our seamless pipe products. In addition, we purchase substantial quantities of steel coils and plate for use in the production of our welded pipe products. Our production costs, therefore, are sensitive to prices of steelmaking raw materials and certain steel products, which reflect supply and demand factors in the global steel industry and in the countries where we have our manufacturing facilities.

The costs of steelmaking raw materials and of steel coils and plates have increased in 2010, more steeply towards the end of the year and beginning of 2011. Although our selling prices are expected to rise, these increases are likely to be initially offset by the increases in raw material and other costs.

Results of Operations

The following discussion and analysis of our financial condition and results of operations are based on our audited consolidated financial statements included elsewhere in this annual report. Accordingly, this discussion and analysis present our financial condition and results of operations on a consolidated basis. See accounting policies A and B to our audited consolidated financial statements included in this annual report. The following discussion should be read in conjunction with our audited consolidated financial statements and the related notes included in this annual report.

Thousands of U.S. dollars (except number of shares
and per share amounts)

For the year ended December 31,
2010 2009

Selected consolidated income statement data

IFRS

Continuing Operations

Net sales	7,711,598	8,149,320
Cost of sales	(4,700,810)	(4,864,922)
Gross profit	3,010,788	3,284,398
Selling, general and administrative expenses	(1,515,870)	(1,473,791)
Other operating income (expenses), net	78,629	3,000
Operating income	1,573,547	1,813,607
Interest income	32,855	30,831
Interest expense	(64,103)	(118,301)
Other financial results	(21,305)	(64,230)
Income before equity in earnings of associated companies and income tax	1,520,994	1,661,907
Equity in earnings of associated companies	70,057	87,041
Income before income tax	1,591,051	1,748,948
Income tax	(450,004)	(513,211)
Income for continuing operations (1)	1,141,047	1,235,737
Discontinued Operations		
Result for discontinued operations	-	(28,138)
Income for the year (1)	1,141,047	1,207,599
Income attributable to (1):		
Equity holders of the Company.....	1,127,367	1,161,555
Non-controlling interests	13,680	46,044
Income for the year(1)	1,141,047	1,207,599
Depreciation and amortization	(506,902)	(504,864)
Weighted average number of shares outstanding	1,180,536,830	1,180,536,830
Basic and diluted earnings per share for continuing operations	0.95	1.00
Basic and diluted earnings per share	0.95	0.98
Dividends per share(2)	0.34	0.34

International Accounting Standard No. 1 (“IAS 1”) (revised), requires that income for the year as shown on the (1) income statement not exclude non-controlling interests. Earnings per share, however, continue to be calculated on the basis of income attributable solely to the equity holders of the Company.

(2) Dividends per share correspond to the dividends proposed or paid in respect of the year.

Thousands of U.S. dollars (except number of shares)

At December 31,
2010 2009

Selected consolidated financial position data

IFRS

Current assets	5,955,536	5,621,841
Property, plant and equipment, net	3,780,580	3,254,587
Other non-current assets	4,628,215	4,606,880
Total assets	14,364,331	13,483,308
Current liabilities	2,378,546	1,970,470
Non-current borrowings	220,570	655,181
Deferred tax liabilities	934,226	860,787
Other non-current liabilities	280,409	276,034
Total liabilities	3,813,751	3,762,472
Capital and reserves attributable to the Company's equity holders	9,902,359	9,092,164
Non-controlling interests	648,221	628,672
Total liabilities and equity	14,364,331	13,483,308
Number of shares outstanding	1,180,536,830	1,180,536,830

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The following table sets forth our operating and other costs and expenses as a percentage of net sales for the periods indicated.

Percentage of net sales	For the year ended December	
	2010	31, 2009
Continuing Operations		
Net sales	100.0	100.0
Cost of sales	(61.0)	(59.7)
Gross profit	39.0	40.3
Selling, general and administrative expenses	(19.7)	(18.1)
Other operating income (expenses), net	1.0	0.0
Operating income	20.4	22.3
Interest income	0.4	0.4
Interest expense	(0.8)	(1.5)
Other financial results	(0.3)	(0.8)
Income before equity in earnings of associated companies and income tax	19.7	20.4
Equity in earnings of associated companies	0.9	1.1
Income before income tax	20.6	21.5
Income tax	(5.8)	(6.3)
Income for continuing operations	14.8	15.2
Discontinued Operations		
Income (loss) for discontinued operations	-	(0.3)
Income for the year	14.8	14.8
Income attributable to:		
Equity holders of the Company	14.6	14.3
Non-controlling interests	0.2	0.6

Fiscal Year Ended December 31, 2010, Compared to Fiscal Year Ended December 31, 2009

Net Sales, Cost of Sales and Operating Income

The following table shows our net sales by business segment for the periods indicated below:

Millions of U.S. dollars	For the year ended December 31,						Increase / (Decrease)	
	2010			2009				
Tubes	6,676.4	87	%	6,670.9	82	%	0	%
Projects	428.8	6	%	986.5	12	%	(57	%)
Others	606.4	8	%	491.8	6	%	23	%)
Total	7,711.6	100	%	8,149.3	100	%	(5	%)

The following table indicates our sales volume of seamless and welded pipes by business segment for the periods indicated below:

Thousands of tons	For the year ended December		Increase / (Decrease)	
	2010	2009		
Tubes – Seamless	2,206	1,970	12	%
Tubes – Welded	744	346	115	%
Tubes – Total	2,950	2,316	27	%
Projects – Welded	170	334	(49)	%
Total – Tubes + Projects	3,120	2,650	18	%

Tubes

The following table indicates, for our Tubes business segment, net sales by geographic region, cost of sales as a percentage of net sales, operating income and operating income as a percentage of net sales for the periods indicated below:

Millions of U.S. dollars	For the year ended December 31,		Increase / (Decrease)
	2010	2009	
Net sales			
- North America	3,121.7	2,756.1	13 %
- South America	1,110.1	981.9	13 %
- Europe	746.6	828.8	(10 %)
- Middle East & Africa	1,263.6	1,622.6	(22 %)
- Far East & Oceania	434.4	481.5	(10 %)
Total net sales	6,676.4	6,670.9	0 %
Cost of sales (% of sales)	60 %	57 %	
Operating income	1,403.3	1,576.8	(11 %)
Operating income (% of sales)	21 %	24 %	

Net sales of tubular products and services amounted to \$6,676.4 million in 2010, compared to \$6,670.9 million in 2009, as a 27% increase in shipment volumes was offset by lower average selling prices (down 21%). In North America, higher drilling activity in the United States and Canada and a reduction in U.S. OCTG inventory to historic levels by the end of the first quarter of 2010 led to significantly higher shipments partially offset by lower demand in Mexico; prices, however, were at lower levels than in 2009. In South America, higher drilling activity and overall demand in Argentina and Colombia more than offset a decline in pipe prices. In Europe, lower sales prices and lower demand in the North Sea region more than offset higher shipments of mechanical pipe products. In the Middle East and Africa, while shipments of OCTG products remained stable, sales were affected by lower shipments of line pipe products and lower selling prices. In the Far East and Oceania, sales declined due to lower average selling prices.

Cost of sales of tubular products and services, expressed as a percentage of net sales, rose from 57% to 60%, as the reduction in costs of sales did not completely offset the reduction in average selling prices.

Operating income from tubular products and services, decreased 11% to \$1,403.3 million (including a \$67.3 million gain from the reversal of an 2008 impairment on Prudential's customer relationships) in 2010, from \$1,576.8 million in 2009. This decrease in operating income is primarily attributable to a decrease in gross margin, which more than offset that 27% increase in shipment volumes.

Projects

The following table indicates, for our Projects business segment, net sales, cost of sales as a percentage of net sales, operating income and operating income as a percentage of net sales for the periods indicated below:

Millions of U.S. dollars	For the year ended December 31,		Increase / (Decrease)
	2010	2009	
Net sales	428.8	986.5	(57 %)

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Cost of sales (% of sales)	67	%	71	%
Operating income	63.7		208.6	(69 %)
Operating income (% of sales)	15	%	21	%

Projects net sales, decreased 57% to \$428.8 million in 2010, compared to \$986.5 million in 2009, reflecting a sharp decrease in shipments to gas and other pipeline projects in South America.

Operating income from Projects, decreased 69% to \$63.7 million in 2010, from \$208.6 million in 2009, as a result of a decrease in net sales and a lower operating margin due to the effect of fixed and semi-fixed general and administrative expenses on lower sales, including the effect of the revaluation of the Brazilian real against the U.S. dollar.

Others

The following table indicates, for our Others business segment, net sales, cost of sales as a percentage of net sales, operating income and operating income as a percentage of net sales for the periods indicated below:

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Millions of U.S. dollars	For the year ended December		Increase / (Decrease)	
	2010	2009		
Net sales	606.4	491.8	23	%
Cost of sales (% of sales)	72 %	79 %		
Operating income	106.5	28.1	279	%
Operating income (% of sales)	18 %	6 %		

Net sales of other products and services increased 23% to \$606.4 million in 2010, compared to \$491.8 million in 2009, mainly due to higher sales of sucker rods, welded pipes for electric conduits and industrial equipment . Operating income from other products and services, increased 279% to \$106.5 million in 2010, from \$28.1 million in 2009, due to an increase in net sales and an improvement in margins.

Selling, general and administrative expenses, or SG&A, increased as a percentage of net sales to 19.7% in 2010 compared to 18.1% in 2009, mainly due to the effect of foreign exchange currencies on fixed and semi-fixed expenses. In absolute terms SG&A increased \$42.1 million to \$1,515.9 million in 2010, from \$1,473.8 million in 2009, mainly due to higher labor costs as a result of the appreciation of local currencies against the U.S. dollar.

Other operating income and expenses resulted in net income of \$78.6 million in 2010, compared to a net income of \$3.0 million in 2009. In 2010, we recorded a \$67.3 million gain from the reversal of an impairment recorded in 2008, in Prudential's customer relationships, as our expectations for the economic and competitive conditions of the Canadian oil and gas market improved relative to those foreseen at the end of 2008.

Net interest expenses totaled \$31.2 million in 2010, compared to \$87.5 million in 2009, reflecting the change in our net debt position to a net cash position and lower interest rates.

Other financial results generated a loss of \$21.3 million in 2010, compared to \$64.2 million during 2009. These results largely reflect losses on net foreign exchange transactions and the fair value of derivative instruments and are to a large extent offset by changes to our net equity position. These losses are mainly attributable to variations in the exchange rates between our subsidiaries' functional currencies (other than the U.S. dollar) and the U.S. dollar in accordance with IFRS, principally the variations of the Brazilian real, the Euro and the Japanese yen against the U.S. dollar.

Equity in earnings of associated companies generated a gain of \$70.1 million in 2010, compared to a gain of \$87.0 million in 2009. These gains were derived mainly from our equity investment in Ternium.

Income tax charges totalled \$450.0 million in 2010, equivalent to 30% of income before equity in earnings of associated companies and income tax, compared to \$513.2 million in 2009, equivalent to 31% of income before equity in earnings of associated companies and income tax.

Result for discontinued operations amounted to a loss of \$28.1 million in 2009, relating to the discontinuation of Tavsá and Matesi's operations following their nationalization by the Venezuelan government, while there were no such results in 2010.

Net income decreased to \$1,141.0 million in 2010, compared to \$1,207.6 million in 2009, mainly reflecting lower operating results, better financial results and lower income taxes.

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Income attributable to equity holders was \$1,127.4 million, or \$0.95 per share (\$1.91 per ADS), in 2010, compared to \$1,161.6 million, or \$0.98 per share (\$1.97 per ADS) in 2009.

Income attributable to non-controlling interest was \$13.7 million in 2010, compared to \$46.0 million in 2009, mainly reflecting lower results at our Brazilian subsidiary, Confab, and losses at our Japanese subsidiary NKK Tubes.

Liquidity and Capital Resources

The following table provides certain information related to our cash generation and changes in our cash and cash equivalents position for each of the last two years:

Millions of U.S. dollars	For the year ended	
	December 31,	
	2010	2009
Net cash provided by operating activities	870.8	3,063.9
Net cash (used in) investing activities	(920.8)	(1,031.0)
Net cash (used in) financing activities	(651.6)	(2,028.7)
(Decrease) increase in cash and cash equivalents	(701.6)	4.3
Effect of exchange rate changes	(6.9)	9.1
Decrease in cash due to deconsolidation	-	(9.7)
Cash and cash equivalents at the beginning of year	1,528.7	1,525.0
Cash and cash equivalents at the end of year	820.2	1,528.7

Our financing strategy aims at maintaining adequate financial resources and access to additional liquidity. During 2010, we counted on cash flows from operations as well as on short-term bank financing to fund our operations.

We believe that funds from operations, the availability of liquid financial assets and our access to external borrowing through the financial markets will be sufficient to satisfy our working capital needs, to finance our planned capital spending program and to service our debt in the foreseeable future. During 2010, our net cash position decreased by \$400.2 million to \$275.6 million at December 31, 2010, from \$675.7 million at December 31, 2009.

We have a conservative approach to the management of our liquidity, which consist mainly of cash and cash equivalents and other current investments, comprising cash in banks, liquidity funds and highly liquid short and medium-term securities. These assets are carried at fair market value, or at historical cost which approximates fair market value.

We hold primarily investments in liquidity fund and variable or fixed-rate securities from investment grade issuers. We concentrate our cash in major financial centers (mainly New York and London). We hold our cash and cash equivalents primarily in U.S. dollars. As of December 31, 2010, U.S. dollar denominated liquid assets represented 84%, compared to 82% at the end of 2009. At December 31, 2010, liquid financial assets as a whole (i.e., cash and cash equivalents and other current investments) were 10.6% of total assets compared to 15.7% at the end of 2009.

Cash and cash equivalents (excluding bank overdraft) decreased by \$699.0 million, to \$843.9 million at December 31, 2010, compared with \$1,542.8 million at December 31, 2009. On the other hand, Other current investments increased \$96.5 million to \$676.2 million as of December 31, 2010 from \$579.7 million as of December 31, 2009.

Fiscal Year Ended December 31, 2010, Compared to Fiscal Year Ended December 31, 2009

Operating activities

Net cash provided by operations during 2010 was \$870.8 million, compared to \$3,063.9 million during 2009. Working capital increased by \$644.0 million during 2010, compared with a decrease of \$1,737.3 million in 2009, reflecting the improvement in activity levels. The increase in working capital during 2010 is the result of the following:

- an increase in inventories of \$773.3 million, as a result of increased business activity; and
- an increase in trade receivables of \$111.3 million, mainly due to higher sales in the fourth quarter of 2010 compared to the same period of 2009; partially offset by
 - an increase in trade payables of \$261.8 million, also reflecting higher levels of activity.

Investing activities

Net cash used in investing activities in 2010 was \$920.8 million, compared to \$1,031.0 million in 2009, due to the following:

- higher capital expenditures (\$847.3 million in 2010, compared to \$460.9 million in 2009), primarily attributable to the construction of the new small diameter rolling mill at our Veracruz facility in Mexico;
- lower investments in short term securities (\$96.5 million in 2010, compared to \$533.8 million in 2009); and
- negligible investments in acquisitions of subsidiaries and associated companies in 2010, compared to acquisitions amounting to \$64.0 million in 2009.

Financing activities

Net cash used in financing activities, including dividends paid, proceeds and repayments of borrowings, was \$651.6 million in 2010, compared to \$2,028.7 million in 2009.

Dividends paid, including dividends paid to non-controlling shareholders in subsidiaries, amounted to \$433.3 million in 2010, of which \$248 million were paid to equity holders in respect of the 2009 fiscal year, while \$153 million were paid to equity holders in November 2010, as an interim dividend in respect of the dividend corresponding to the 2010 fiscal year. This compares to \$553.7 million paid in 2009, of which \$354 million were paid to equity holders in respect of the 2008 fiscal year, while \$153 million were paid to equity holders in November 2009, as an interim dividend for the 2009 fiscal year.

Net repayments of borrowings (repayments less proceeds) totaled \$215.3 million in 2010, compared to \$1,465.4 million in 2009.

Our total liabilities to total assets ratio was 0.27:1 as of December 31, 2010 and 0.28:1 as of December 31, 2009.

Principal Sources of Funding

In 2010, we counted mainly on cash flows from operations to fund our transactions and short-term bank borrowings were used as needed throughout the year.

Financial liabilities

During 2010, total financial debt decreased by 14%, to \$1,244.5 million at December 31, 2010, from \$1,446.8 million at December 31, 2009.

Our financial liabilities (other than trade payables and derivative financial instruments) consist mainly of bank loans. As of December 31, 2010 U.S. dollar-denominated financial debt plus other currencies denominated financial debt swapped to the U.S. dollar represented 90% of total financial debt. For further information about our financial debt, please see note 20 "Borrowings" to our consolidated financial statements included in this annual report.

The following table shows the composition of our financial debt at December 31, 2010 and 2009:

Thousands of U.S. dollars	2010	2009
Bank borrowings	1,215,246	1,422,762
Bank overdrafts	23,696	14,122
Other loans	5,131	9,294
Finance lease liabilities	423	586
Total borrowings	11,244,496	1,446,764

The weighted average interest rates before tax (calculated using the rates set for each instrument at year end, in its corresponding currency and considering derivative financial instruments designated for hedge accounting), amounted to 4.08% at December 31, 2010 and to 4.02% at December 31, 2009.

The maturity of our financial debt is as follows:

Thousands of U.S.

dollars

At December 31, 2010	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
Borrowings	1,023,926	154,227	33,203	7,999	7,873	17,268	1,244,496
Interests to be accrued	19,075	4,818	1,813	1,544	1,357	2,060	30,667
Interest rate derivative contracts	5,359	-	-	-	-	-	5,359
Total	1,048,360	159,045	35,016	9,543	9,230	19,328	1,280,522

Our current debt to total debt ratio increased from 0.55:1 as of December 31, 2009 to 0.82:1 as of December 31 2010.

For information on our derivative financial instruments, please see note 25 “Derivative financial instruments” to our audited consolidated financial statements included in this annual report.

Significant Borrowings

Our most significant borrowings as of December 31, 2010 were as follows:

Millions of U.S.
dollars

Date	Borrower	Type	Original Principal Amount	Outstanding Principal amount as of December 31, 2010	Maturity
September 2006	Tamsa	Syndicated loan	700.0	155.6	October 2011
April 2007	Hydril	Syndicated loan	300.0	100.0	May 2012
June 2008	Dalmine	Bilateral	150.0	125.0	June 2013
2010	Siderca	Short-term bank loans	342.6	342.6	Several in 2011
2010	Tamsa	Short-term bank loans	200.2	200.2	Several in 2011

As of December 31, 2010, Tenaris was in compliance with all of its financial and other covenants.

Recent Developments

In February 2011, our board of directors proposed, for the approval of the annual general shareholders’ meeting to be held on June 1, 2011, the payment of an annual dividend of \$0.34 per share (\$0.68 per ADS), or approximately \$401 million, which includes the interim dividend of \$0.13 per share (\$0.26 per ADS) paid in November 2010. If the annual dividend is approved by the shareholders, a dividend of \$0.21 per share (\$0.42 per ADS), or approximately \$248 million will be paid on June 23, 2011, with an ex-dividend date of June 20, 2011.

Environmental Regulation

We are subject to a wide range of local, provincial and national laws, regulations, permit requirements and decrees relating to the protection of human health and the environment, including laws and regulations relating to hazardous materials and radioactive materials and environmental protection governing air emissions, water discharges and waste management. Laws and regulations protecting the environment have become increasingly complex and more stringent and expensive to implement in recent years. International environmental requirements vary.

The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable since regulations under some of these laws have not yet been promulgated or are undergoing revision. The expenditures necessary to remain in compliance with these laws and regulations, including site or other remediation costs, or costs incurred from potential environmental liabilities, could have a material adverse effect on our financial condition and profitability. While we incur and will continue to incur expenditures to comply with applicable laws and regulations, there always remains a risk that environmental incidents or accidents may occur that may negatively affect our reputation or our operations.

Compliance with applicable environmental laws and regulations is a significant factor in our business. We have not been subject to any material penalty for any material environmental violation in the last five years, and we are not

aware of any current material legal or administrative proceedings pending against us with respect to environmental matters which could have an adverse material impact on our financial condition or results of operations.

Related Party Transactions

Tenaris is a party to several related party transactions, which include, among others, purchases and sales of goods (including steel pipes, flat steel products, steel bars, raw materials, gas and electricity) and services (including engineering services and related services) from or to entities controlled by San Faustin or in which San Faustin holds significant interests. Material related party transactions, as explained in Corporate Governance – Audit Committee, are subject to the review of the audit committee of the Company’s board of directors and the requirements of the Company’s articles of association and Luxembourg law. For further detail on Tenaris’s related party transactions, see Note 30 “Related party transactions” to our audited consolidated financial statements, included in this annual report.

Corporate Governance

Our corporate governance practices are governed by Luxembourg Law (including, among others, the law of August 10, 1915 on commercial companies and the law of January 11, 2008, implementing the European Union's transparency directive) and our articles of association. As a Luxembourg company listed on the New York Stock Exchange (the NYSE), the Bolsa Mexicana de Valores, S.A. de C.V. (the Mexican Stock Exchange), the Bolsa de Comercio de Buenos Aires (the Buenos Aires Stock Exchange) and Borsa Italiana S.p.A. (the Italian Stock Exchange), we are required to comply with some, but not all, of the corporate governance standards of these exchanges. We, however, believe that our corporate governance practices meet, in all material respects, the corporate governance standards that are generally required for controlled companies by all of the exchanges on which our securities trade.

For a summary of the significant ways in which our corporate governance practices differ from the corporate governance standards required for controlled companies by the exchanges on which our shares trade, please visit our website at <http://www.tenaris.com/investors/>

Board of Directors

Management of the Company is vested in a board of directors with the broadest power to act on behalf of the Company and accomplish or authorize all acts and transactions of management and disposal that are within its corporate purpose and not specifically reserved in the articles of association or by applicable law to the general shareholders' meeting. The Company's articles of association provide for a board of directors consisting of a minimum of three and a maximum of fifteen directors; however, for as long as the Company's shares are listed on at least one stock exchange, the minimum number of directors must be five. The Company's current board of directors is composed of ten directors.

The board of directors is required to meet as often as required by the interests of the Company and at least four times per year. A majority of the members of the board of directors in office present or represented at the board of directors' meeting constitutes a quorum, and resolutions may be adopted by the vote of a majority of the directors present or represented. In the case of a tie, the chairman is entitled to cast the deciding vote.

Directors are elected at the annual ordinary general shareholders' meeting to serve one-year renewable terms, as determined by the general shareholders' meeting. The general shareholders' meeting also determines the directors' compensation. The general shareholders' meeting may dismiss all or any one member of the board of directors at any time, with or without cause, by resolution passed by a simple majority vote, irrespective of the number of shares present or represented at the meeting.

The following table sets forth the name of the Company's current directors, their respective positions on the board, their principal occupation, their years of service as board members and their age.

Name	Position	P r i n c i p a l Occupation	Years as Director	Age at December 31, 2010
Roberto Bonatti(1)	Director	President of San Faustin	8	61
Carlos Condorelli	Director	D i r e c t o r o f T e n a r i s a n d Ternium	4	59
Carlos Franck	Director		8	60

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		President of Santa María		
Roberto Monti	Director	Member of the board of directors of Petrobras Energia	6	71
Gianfelice Mario Rocca(1)	Director	Chairman of the board of directors of San Faustin	8	62
Paolo Rocca(1)	Director	Chairman and chief executive officer of Tenaris	9	58
Jaime Serra Puche	Director	Chairman of SAI Consultores	8	59
Alberto Valsecchi	Director	Director of Tenaris	3	66
Amadeo Vázquez y Vázquez	Director	Director of Gas Natural Ban S.A. and member of Asociación Empresaria Argentina	8	68
Guillermo Vogel	Director	Vice chairman of Tamsa	8	60

Paolo Rocca and Gianfelice Rocca are brothers, and Roberto Bonatti is Paolo and Gianfelice Rocca's first cousin.
(1)

Roberto Bonatti. Mr. Bonatti is a member of the Company's board of directors. He is a grandson of Agostino Rocca, founder of the Techint group, a group of companies controlled by San Faustin. Throughout his career in the Techint group he has been involved specifically in the engineering and construction and corporate sectors. He was first employed by the Techint group in 1976, as deputy resident engineer in Venezuela. In 1984, he became a director of San Faustin, and since 2001 he has served as its president. In addition, Mr. Bonatti currently serves as president of Tecpetrol S.A. and Techint Compañía Técnica Internacional S.A.C.I. He is also a member of the board of directors of Ternium, Siderca and Siderar S.A.I.C., or Siderar. Mr. Bonatti is an Italian citizen.

Carlos Condorelli. Mr. Condorelli is a member of the Company's board of directors. He served as our chief financial officer from October 2002 until September 2007. He is also a board member of Ternium. He began his career within the Techint group in 1975 as an analyst in the accounting and administration department of Siderar. He has held several positions within Tenaris and other Techint group companies, including finance and administration director of Tamsa and president of the board of directors of Empresa Distribuidora La Plata S.A., or Edelap, an Argentine utilities company. Mr. Condorelli is an Argentine citizen.

Carlos Franck. Mr. Franck is a member of the Company's board of directors. He is president of Santa María S.A.I.F. and Inverban S.A. and a member of the board of directors of Siderca, Techint Financial Corporation N.V., Techint Holdings S.ar.l., Siderar and Tecgas N.V. He has financial planning and control responsibilities in subsidiaries of San Faustin. He serves as treasurer of the board of the Di Tella University. Mr. Franck is an Argentine citizen.

Roberto Monti. Mr. Monti is a member of the Company's board of directors. He is member of the board of directors of Petrobras Energia. He has served as vice president of Exploration and Production of Repsol YPF and chairman and chief executive officer of YPF. He was also president of Dowell, a subsidiary of Schlumberger and president of Schlumberger Wire & Testing division for East Hemisphere Latin America. Mr. Monti is an Argentine citizen.

Gianfelice Mario Rocca. Mr. Rocca is a member of the Company's board of directors. He is a grandson of Agostino Rocca. He is chairman of the board of directors of San Faustin, a member of the board of directors of Ternium, president of the Humanitas Group and honorary president of the board of directors of Techint Compagnia Tecnica Internazionale S.p.A. and president of Tenova S.p.A. In addition, he sits on the board of directors or executive committees of several companies, including Allianz S.p.A and Buzzi Unicem. He is vice president of Confindustria, the leading association of Italian industrialists. He is a member of the Advisory Board of Allianz Group, the Trilateral Commission and the European Advisory Board of the Harvard Business School. Mr. Rocca is an Italian citizen.

Paolo Rocca. Mr. Rocca is the chairman of the Company's board of directors and our chief executive officer. He is a grandson of Agostino Rocca. He is also chairman of the board of directors of Tamsa. He is also the chairman of the board of directors of Ternium, a director and vice president of San Faustin, and a director of Techint Financial Corporation N.V. Mr. Rocca is vice chairman of the World Steel Association and a member of the International Advisory Committee of the NYSE Euronext (New York Stock Exchange). Mr. Rocca is an Italian citizen.

Jaime Serra Puche. Mr. Serra Puche is a member of the Company's board of directors. He is the chairman of SAI Consultores, a Mexican consulting firm, and a member of the board of directors of Chiquita Brands International, the Mexico Fund, Grupo Vitro, Grupo Modelo and Grupo Financiero BBVA Bancomer. 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.

Alberto Valsecchi. Mr. Valsecchi is a member of the Company's board of directors. He served as our chief operating officer from February 2004 until July 2007. He joined the Techint group in 1968 and has held various positions within Tenaris and other Techint group companies. He has retired from his executive positions. He is also a member of the board of directors of San Faustin and has been elected as the chairman of the board of directors of Dalmine, a position

he assumed in May 2008. Mr. Valsecchi is an Italian citizen.

Amadeo Vázquez y Vázquez. Mr. Vázquez y Vázquez is a member of the Company's board of directors. He is an independent member of the board of directors of Gas Natural Ban S.A. He is a member of the Asociación Empresaria Argentina, of the Fundación Mediterránea, and of the Advisory Board of the Fundación de Investigaciones Económicas Latinoamericanas. He served as chief executive officer of Banco Río de la Plata S.A. until August 1997 and was also the chairman of the board of directors of Telecom Argentina S.A. until April 2007. Mr. Vázquez y Vázquez is a Spanish and Argentine citizen.

Guillermo Vogel. Mr. Vogel is a member of the Company's board of directors. He is the vice chairman of Tamsa, the chairman of Grupo Collado S.A.B. de C.V, the vice chairman of Estilo y Vanidad S.A. de C.V. and a member of the board of directors of each of Alfa S.A.B. de C.V., the American Iron and Steel Institute, the North American Steel Council, the Universidad Panamericana and the IPADE. In addition, he is a member of the board of directors and the investment committee of the Corporación Mexicana de Inversiones de Capital and a member of the board of directors and the audit committee of HSBC (México). Mr. Vogel is a Mexican citizen.

Director Liability

Under Luxembourg law, a director may be liable to the Company for any damage caused by management errors, such as wrongful acts committed during the execution of his or her mandate, and to the Company, its shareholders and third parties in the event that the Company, its shareholders or third parties suffer a loss due to an infringement of either the Luxembourg law on commercial companies or the Company's articles of association.

Under Luxembourg law, any director having a conflict of interest in respect of a transaction submitted for approval to the board of directors may not take part in the deliberations concerning such transaction and must inform the board of such conflict and to cause a record of his statement to be included in the minutes of the meeting. Subject to certain exceptions, transactions in which any directors may have had an interest conflicting with that of the Company must be reported at the next general shareholders' meeting following any such transaction.

A director will not be liable for acts committed in accordance with a board resolution if, notwithstanding his or her presence at the board meeting at which such resolution was adopted, such director advised the board of directors that he or she opposed the resolution and caused a record of such opposition to be included in the minutes of the meeting.

Causes of action against directors for damages may be initiated by the Company upon a resolution of the shareholders passed by a simple majority vote, irrespective of the number of shares present or represented at the meeting. Causes of action against directors who misappropriate corporate assets or commit a breach of trust may be brought by any shareholder for personal losses different from those of the Company.

It is customary in Luxembourg that the shareholders expressly discharge the members of the board of directors from any liability arising out of or in connection with the exercise of their mandate when approving the annual accounts of the Company at the annual general shareholders meeting. However, such discharge will not release the directors from liability for any damage caused by wrongful acts committed during the execution of their mandate or due to an infringement of either the Luxembourg law on commercial companies or the Company's articles of association vis-à-vis third parties.

Audit Committee

Pursuant to our articles of association, as supplemented by the audit committee's charter, for as long as our shares are listed on at least one stock exchange, the Company must have an audit committee composed of three members, all of which must qualify as independent directors under the Company's articles of association.

Under the Company's articles of association, an independent director is a director who:

is not and has not been employed by us or our subsidiaries in an executive capacity for the preceding five years;

is not a person that controls us, directly or indirectly, and is not a member of the board of directors of a company controlling us, directly or indirectly;

does not have (and is not affiliated with a company or a firm that has) a significant business relationship with us, our subsidiaries or our controlling shareholder;

is not and has not been affiliated with or employed by a present or former auditor of us, our subsidiaries or our controlling shareholder for the preceding five years; and

is not a spouse, parent, sibling or relative up to the third degree of any of the above persons.

The Company's board of directors has an audit committee consisting of three members. On June 2, 2010, the Company's board of directors reappointed Jaime Serra Puche, Amadeo Vázquez y Vázquez and Roberto Monti as members of our audit committee. All three members of the audit committee qualify as independent directors under the Company's articles of association.

Under the Company's articles of association, the audit committee is required to report to the board of directors on its activities from time to time, and on the adequacy of the systems of internal control over financial reporting once a year at the time the annual accounts are approved. In addition, the charter of the audit committee sets forth, among other things, the audit committee's purpose and responsibilities. The audit committee assists the board of directors in its oversight responsibilities with respect to our financial statements, and the independence, performance and fees of our independent auditors. The audit committee also performs other duties entrusted to it by the Company's board of directors.

In addition, the audit committee is required by the Company’s articles of association to review “material transactions”, as such term is defined under the Company’s articles of association, to be entered into by the Company or its subsidiaries with “related parties”, as such term is defined in the Company’s articles of association, in order to determine whether their terms are consistent with market conditions or are otherwise fair to the Company and/or its subsidiaries. In the case of material transactions entered into by the Company’s subsidiaries with related parties, the Company’s audit committee will review those transactions entered into by those subsidiaries whose boards of directors do not have independent members. Confab is currently our only subsidiary with independent board members.

Under the Company’s articles of association, as supplemented by the audit committee’s charter, a material transaction is:

any transaction between the Company or its subsidiaries with related parties (x) with an individual value equal to or greater than \$10 million, or (y) with an individual value lower than \$10 million, when the aggregate sum – as reflected in the financial statements of the four fiscal quarters of the Company preceding the date of determination – of any series of transactions for such lower value that can be deemed to be parts of a unique or single transaction (but excluding any transactions that were reviewed and approved by Company’s audit committee or board of directors, as applicable, or the independent members of the board of directors of any of its subsidiaries) exceeds 1.5% of the Company’s consolidated net sales made in the fiscal year preceding the year on which the determination is made;

any corporate reorganization transaction (including a merger, spin-off or bulk transfer of a business) affecting the Company for the benefit of, or involving, a related party; and

any corporate reorganization transaction (including a merger, spin-off or bulk transfer of a business) not reviewed and approved by the independent members of the board of directors of any of the Company’s direct or indirect subsidiaries, affecting any of the Company’s direct or indirect subsidiaries for the benefit of, or involving, a related party.

The audit committee has the power (to the maximum extent permitted by applicable laws) to request that the Company or relevant subsidiary provide any information necessary for it to review any material transaction. A related party transaction shall not be entered into unless (i) the circumstances underlying the proposed transaction justify that it be entered into before it can be reviewed by the Company’s audit committee or approved by the board of directors and (ii) the related party agrees to unwind the transaction if the Company’s audit committee or board of directors does not approve it.

The audit committee has the authority to conduct any investigation appropriate to fulfill its responsibilities, and has direct access to the Company’s internal and external auditors as well as to the Company’s management and employees and, subject to applicable laws, its subsidiaries.

Senior Management

Our current senior management as of the date of this annual report consists of:

Name	Position	Age at December 31, 2010
Paolo Rocca	Chairman and Chief Executive Officer	58
Ricardo Soler	Chief Financial Officer	59

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Renato Catallini	Supply Chain Director	44
Guillermo Moreno	Planning Director	46
Carlos Pappier	Chief Information Officer	49
Marco Radnic	Human Resources Director	61
Marcelo Ramos	Technology Director	47
V i n c e n z o	Industrial Director	58
Crapanzano		
Germán Curá	North American Area Manager	48
Sergio de la Maza	Central American Area Manager	54
Javier Martínez	Southern Cone Area Manager	44
Alvarez		
A l e j a n d r o	Eastern Hemisphere Area	45
Lammertyn	Manager	
Luca Zanotti	European Area Manager	43
Guillermo Noriega	Advisor to the Chief Executive	60
	Officer	

Paolo Rocca. Mr. Rocca is the chairman of the Company's board of directors and our chief executive officer. He is a grandson of Agostino Rocca. He is also chairman of the board of directors of Tamsa. He is also the chairman of the board of directors of Ternium, a director and vice president of San Faustin, and a director of Techint Financial Corporation N.V. Mr. Rocca is vice chairman of the World Steel Association and a member of the International Advisory Committee of the NYSE Euronext (New York Stock Exchange). Mr. Rocca is an Italian citizen.

Ricardo Soler. Mr. Soler currently serves as our chief financial officer, a position that he assumed in October 2007. Previously he served as chief executive officer of Hydril and from 1999 until November 2006 served as managing director of our welded pipe operations in South America and as executive vice-president of Confab and Siat. He started his career in the Techint group in 1973 as a planning analyst at Siderar. He served as Siderca's financial director from 1993 until 1995. Mr. Soler is an Argentine citizen.

Renato Catallini. Mr. Catallini currently serves as our supply chain director, with responsibility for the execution of all contractual deliveries to customers. He joined Tenaris in 2001 in the supply management area, as a general manager of Exiros Argentina. In July 2002, he was appointed operations director and subsequently, in January 2005, became managing director of Exiros. Before joining Tenaris, he worked for ten years in the energy sector, working for TGN, Nova Gas Internacional, TransCanada Pipelines and TotalFinaElf, among others. He assumed his current position in August 2007. Mr. Catallini is an Argentine citizen.

Guillermo Moreno. Mr. Moreno currently serves as our planning director. Previously, he served as director of Oilfield Services business unit. He first joined Siderca in 1987 after graduating as an industrial engineer. Up to 1993 he worked in several finance and marketing positions in Siderca and was also responsible for sales in Latin America. In 1996 he became Tamsa's exports sales director and in 1999 he became the director of the Pipeline Services business unit. He assumed his current position in May 2010. Mr. Moreno is an Argentine citizen.

Carlos Pappier. Mr. Pappier currently serves as our chief information officer. Previously, he served as planning director. He began his career within the Techint group in 1984 as a cost analyst in Siderar. After holding several positions within Tenaris and other Techint group companies in 2002, he became chief of staff of Tenaris. He assumed his current position in May 2010. Mr. Pappier is an Argentine citizen.

Marco Radnic. Mr. Radnic currently serves as our human resources director. He began his career within the Techint group in the Industrial Engineering Department of Siderar in 1975. Later he held several positions in the technical departments of Siderca and various companies within the Techint group. After holding several positions in the marketing and procurement areas in Europe, in 1996 he became commercial director of Dalmine. In 1998, he became the director of our Process and Power Services business unit. In 2001, he was appointed chief of staff for Paolo Rocca in Buenos Aires. He assumed his current position in December 2002. Mr. Radnic is an Argentine citizen.

Marcelo Ramos. Mr. Ramos currently serves as our technology director, with responsibility over technology and quality. Previously he served as quality director and managing director of NKK Tubes and our Japanese operations. He joined the Techint group in 1987 and has held various positions within Tenaris including quality control director at Siderca. He assumed his current position in April 2010, when the quality and technology departments were combined. Mr. Ramos is an Argentine citizen.

Vincenzo Crapanzano. Mr. Crapanzano currently serves as our industrial director, a position he assumed in April 2011. Previously he served as our European area manager, Mexican area manager and executive vice president of Tamsa. Prior to joining Tenaris, he held various positions at Grupo Falck from 1979 to 1989. When Dalmine acquired the tubular assets of Grupo Falck in 1990, he was appointed managing director of the cold drawn tubes division. He is also vice president of Centro Sviluppo Materiali S.p.A, and of Federacciai. Mr. Crapanzano is an Italian citizen.

Germán Curá. Mr. Curá currently serves as our North American area manager. He is a marine engineer and was first employed with Siderca in 1988. Previously, he served as Siderca's exports director, Tamsa's exports director and commercial director, sales and marketing manager of our Middle East office, president of Algoma Tubes, director of our Oilfield Services business unit and commercial director. He is also a member of the board of directors of the American Petroleum Institute (API). He assumed his current position in October 2006. Mr. Curá is an Argentine citizen.

Sergio de la Maza. Mr. de la Maza currently serves as our Central American area manager and also serves as a director and executive vice-president of Tamsa. Previously he served as our Mexican area manager. He first joined Tamsa in 1980. From 1983 to 1988, Mr. de la Maza worked in several positions in Tamsa and Dalmine. He then became manager of Tamsa's new pipe factory and later served as manufacturing manager and quality director of Tamsa. Subsequently, he was named manufacturing director of Siderca. He assumed his current position in 2006. Mr. de la Maza is a Mexican citizen.

Javier Martínez Alvarez. Mr. Martínez Alvarez currently serves as our Southern Cone area manager, a position he assumed in June 2010, having previously served as our Andean area manager. He began his career in the Techint group in 1990, holding several positions including planning manager of Siderar and commercial director of Ternium-Sidor. In 2006, he joined Tenaris as our Venezuela area manager. Mr. Martínez Alvarez is an Argentine citizen.

Alejandro Lammertyn. Mr. Lammertyn currently serves as our Eastern Hemisphere Area Manager based in Dubai. He assumed his current position in August 2010, after a restructuring of the commercial department aimed at strengthening our regional presence in the eastern hemisphere. Mr. Lammertyn began his career with Tenaris in 1990. Previously he served as assistant to the CEO for marketing, organizational model and mill allocation matters, supply chain director and commercial director. Mr. Lammertyn is an Argentine citizen.

Luca Zanotti. Mr. Zanotti currently serves as our European area manager, a position he assumed in April 2011. He joined Tenaris in 2002 as planning and administration director in Exiros, the supply management area. He was later appointed raw materials director and in July 2007 became managing director of Exiros, a position he held until June 2010. In July 2010 he became the senior assistant to the European area manager. Before joining Tenaris, he was a senior manager at A.T. Kearney in Milan, where he worked from 1998 to 2002, and prior to that he held various business development positions in the Far East for Lovato Electric. Mr. Zanotti is an Italian citizen.

Guillermo Noriega. Mr. Noriega currently serves as advisor to the chief executive officer, supervising our Brazilian operations. Until June 1, 2010, when he assumed his current position, he served as our South American area manager and as managing director of Siderca. Previously, he served as Siderca's commercial director for the Argentine market. He began his career at Siderca as an industrial engineer in 1981. Mr. Noriega is an Argentine citizen.

Directors' and senior management compensation

The compensation of the members of the Company's board of directors is determined at the annual ordinary general shareholders' meeting. Each member of the board of directors received as compensation for their services during the year 2010 a fee of \$70,000. The chairman of the audit committee received as additional compensation a fee of \$60,000 while the other members of the audit committee received an additional fee of \$50,000. Under the Company's articles of association, the members of the audit committee are not eligible to participate in any incentive compensation plan for employees of the Company or any of its subsidiaries.

The aggregate cash compensation received by directors and senior management during the years ended December 31, 2010, 2009 and 2008, amounted to \$18.6 million, \$18.2 million and \$22.5 million, respectively. In addition, directors and senior management received during the years ended December 31, 2010, 2009 and 2008, 485,000, 436,000 and 488,000 units, respectively, for a total amount of \$4.1 million, \$3.4 million and \$3.4 million, respectively, in connection with the Employee retention and long term incentive program described in note O (d) "Employee benefits –Employee retention and long term incentive program" to our audited consolidated financial statements included in this annual report.

There are no service contracts between any director and Tenaris that provide for material benefits upon termination of employment.

Auditors

The Company's articles of association require the appointment of at least one independent auditor chosen from among the members of the Luxembourg Institute of Independent Auditors (Institut des réviseurs d'entreprises). The primary responsibility of the independent auditor is to audit the Company's annual accounts and to submit a report on the

accounts to shareholders at the annual shareholders' meeting. Auditors are appointed by the general shareholders' meeting upon recommendation from our audit committee through a resolution passed by a simple majority vote, irrespective of the number of shares present or represented, to serve one-year renewable terms. Auditors may be dismissed by the general shareholders meeting at any time, with or without cause. Luxembourg law does not allow directors to serve concurrently as independent auditors. As part of their duties, the auditors report directly to the audit committee.

PWC (acting, in connection with the Company's annual accounts and annual consolidated financial statements required under Luxembourg law, through PricewaterhouseCoopers S.ar.l., Réviseur d'entreprises agréé and, in connection with the Company's annual and interim consolidated financial statements required under the laws of any other relevant jurisdiction, through Price Waterhouse & Co. S.R.L.) were appointed as the Company's independent auditors for the fiscal year ended December 31, 2010, at the ordinary general shareholders' meeting held on June 2, 2010.

The Company's audit committee is responsible for, among other things, the oversight of the Company's independent auditors. The audit committee has adopted in its charter a policy of pre-approval of audit and permissible non-audit services provided by its independent auditors. Under the policy, the audit committee makes its recommendations to the shareholders' meeting concerning the continuing appointment or termination of the Company's independent auditors. On a yearly basis, the audit committee reviews together with management and the independent auditor, the audit plan, audit related services and other non-audit services and approves the related fees. Any changes to the approved fees must be reviewed and approved by the audit committee. In addition, the audit committee delegates to its Chairman the authority to consider and approve, on behalf of the audit committee, additional non-audit services that were not recognized at the time of engagement, which must be reported to the other members of the audit committee at its next meeting. No services outside the scope of the audit committee's approval can be undertaken by the independent auditor.

Fees Paid to the Company's Principal Accountant

In 2010, PWC served as the principal external auditor for the Company. Fees payable to PWC in 2010 are detailed below.

Thousands of U.S. dollars For the
year
ended
December
31, 2010

Audit Fees	4,291
Audit-Related Fees	77
Tax Fees	161
All Other Fees	88
Total	4,617

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the consolidated financial statements and internal control over financial reporting of the Company, the statutory financial statements of the Company and its subsidiaries, and any other audit services required for U.S. Securities and Exchange Commission or other regulatory filings.

Audit-Related Fees

Audit-related fees are typically services that are reasonably related to the performance of the audit or review of the consolidated financial statements of the Company and the statutory financial statements of the Company and its subsidiaries and are not reported under the audit fee item above. This item includes fees for attestation services on financial information of the Company and its subsidiaries included in their annual reports that are filed with their

respective regulators.

Tax Fees

Tax fees paid for tax compliance professional services.

All Other Fees

All other fees paid to PWC include fees for the support in the implementation of certain information technology systems.

Employees

The following table shows the number of persons employed by Tenaris:

34

	At December 31, 2010
Argentina	7,244
Mexico	4,173
U n i t e d States	3,363
Brazil	2,638
Italy	2,612
Canada	1,372
Romania	1,226
Indonesia	648
Japan	637
O t h e r Countries	1,509
T o t a l employees	25,422

At December 31, 2009 and December 31, 2008, the number of persons employed by Tenaris was 22,591 and 23,873 respectively.

The number of our employees increased during 2010, from 22,591 at December 2009, to 25,422 at December 2010. The increase in our workforce resulted primarily from a growing activity level as global economic conditions improved and production at our plants increased.

Approximately 55% of our employees are unionized. We believe that we enjoy good or satisfactory relations with our employees and their unions in each of the countries in which we have manufacturing facilities, and we have not experienced any major strikes or other labor conflicts with a material impact on our operations over the last five years.

Share Ownership

To our knowledge, the total number of the Company's shares (in the form of ordinary shares or ADSs) beneficially owned by our directors and senior management as of March 31, 2011 was 1,417,269, which represents 0.12% of our outstanding shares.

The following table provides information regarding share ownership by our directors and senior management:

Director or Officer	Number of Shares Held
Guillermo Vogel	1,325,446
Carlos Condorelli	67,211
Guillermo Moreno	16,430
Ricardo Soler	8,182
Total	1,417,269

Major Shareholders

The following table shows the beneficial ownership of the Company's ordinary shares by (1) the Company's major shareholders (persons or entities that have notified the Company of holdings in excess of 5% of the Company's voting rights), (2) non-affiliated public shareholders, and (3) the Company's directors and senior management as a group. The information below is based on the most recent information available to the Company.

Identity of Person or Group	Number	Percent
S a n F a u s t i n (1)	713,605,187	60.45 %
Aberdeen Asset Management PLC's Fund Management Operating Subsidiaries (2)	59,531,257	5.04 %
Capital Research and Management Company (3)	59,047,436	5.00 %
Directors and senior management as a group	1,417,269	0.12 %
Public	346,935,681	29.4 %
Total	1,180,536,830	100.0 %

- (1) San Faustin owns all of its shares in the Company through its wholly-owned subsidiary Techint Holdings S.à.r.l. (formerly known as I.I.I. Industrial Investments Inc.). In connection with San Faustin's 2011 redomiciliation from Curacao to Luxembourg, San Faustin's controlling entity Rocca & Partners S.A. organized a Dutch private foundation (Stichting) under the name of Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin ("RP STAK"). RP STAK holds shares in San Faustin sufficient in number to control San Faustin. No person or group of persons controls RP STAK.
- (2) On May 5, 2010, Aberdeen Asset Management PLC's Fund Management Operating Subsidiaries informed the Company, pursuant to the Luxembourg Transparency Law, that as of April 30, 2010, it was deemed to be the beneficial owner of 59,531,257 ordinary shares of the Company, par value U.S.\$ 1.00 per share, representing 5.0% of the Company's issued and outstanding capital and votes.
- (3) On November 15, 2010, Capital Research and Management Company informed the Company, pursuant to the Luxembourg Transparency Law, that as of November 12, 2010, it was deemed to be the beneficial owner of 59,047,436 ordinary shares of the Company, par value U.S.\$ 1.00 per share, representing 5.00% of the Company's issued and outstanding capital and votes.

The voting rights of the Company's major shareholders do not differ from the voting rights of other shareholders. None of its outstanding shares have any special control rights. There are no restrictions on voting rights, nor are there, to the Company's knowledge, any agreements among shareholders of the Company that might result in restrictions on the transfer of securities or the exercise of voting rights.

The Company does not know of any significant agreements or other arrangements to which the Company is a party and which take effect, alter or terminate in the event of a change of control of the Company. The Company does not know of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

Information required under the Luxembourg Law on takeovers of May 19, 2006

We have an authorized share capital of a single class of 2,500,000,000 shares with a par value of \$ 1.00 per share. Our authorized share capital is fixed by our articles of association as amended from time to time with the approval of our shareholders in an extraordinary shareholders' meeting. There were 1,180,536,830 shares issued as of December 31, 2010. All shares are fully paid.

Under our articles of association, our board of directors is authorized until August 2, 2012, to increase from time to time our issued share capital within the limits of the authorized capital.

Tenaris is controlled by San Faustin, which owns 60.45% of our outstanding shares, through its wholly owned subsidiary Techint Holdings S.à.r.l. (formerly known as I.I.I. Industrial Investments Inc.). In connection with San Faustin's 2011 redomiciliation from Curacao to Luxembourg, San Faustin's controlling entity Rocca & Partners S.A. organized a Dutch private foundation (Stichting) under the name of Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin ("RP STAK"). RP STAK holds shares in San Faustin sufficient in number to control San Faustin. No person or group of persons controls RP STAK.

Our directors and senior management as a group own 0.12% of our outstanding shares, while the remaining 39.43% are publicly traded. Our shares trade on the Italian Stock Exchange, the Buenos Aires Stock Exchange and the Mexican Stock Exchange; in addition, our American Depositary Securities (ADSs) trade on the New York Stock Exchange. See "Corporate Governance – Major Shareholders".

None of our outstanding securities has any special control rights. There are no restrictions on voting rights, nor are there, to our knowledge, any agreements among our shareholders that might result in restrictions on the transfer of securities or the exercise of voting rights.

There are no significant agreements to which we are a party and which take effect, alter or terminate in the event of a change in the control of Tenaris following a takeover bid, thereby materially and adversely affecting us, nor are there any agreements between us and members of our board of directors or employees that provide for compensation if they resign or are made redundant without reason, or if their employment ceases pursuant to a takeover bid.

Management is vested in a board of directors. Directors are elected at the annual ordinary shareholders' meeting to serve one-year renewable terms.

Under our articles of association, any issuance of new shares pursuant to the authorization granted to our board of directors, must grant our existing shareholders a preferential right to subscribe for such newly-issued shares, except:

in circumstances in which the shares are issued for consideration other than money

with respect to shares issued as compensation to directors, officers, agents or employees, its subsidiaries or affiliates,
and

with respect to shares issued to satisfy conversion or option rights created to provide compensation to directors,
officers, agents or employees, its subsidiaries or affiliates.

Any shares to be issued as compensation or to satisfy conversion or option rights may not exceed 1.5% of our issued
capital stock.

Our articles of association do not contain any redemption or sinking fund provisions, nor do they impose any
restrictions on the transfer of our shares.

Amendment of our articles of association requires the approval of shareholders on an extraordinary shareholders' meeting with a two-thirds majority of the votes present or represented.

MANAGEMENT CERTIFICATION

We confirm, to the best of our knowledge, that:

1. the consolidated financial statements prepared in conformity with International Financial Reporting Standards, included in this annual report, give a true and fair view of the assets, liabilities, financial position and profit or loss of Tenaris S.A. and its consolidated subsidiaries, taken as a whole;
2. the annual accounts prepared in accordance with Luxembourg legal and regulatory requirements, included in this annual report, give a true and fair view of the assets, liabilities, financial position and profit or loss of Tenaris S.A.; and
3. the consolidated management report, which has been combined with the management report for Tenaris S.A., included in this annual report, gives a fair review of the development and performance of the business and the position of Tenaris S.A., or Tenaris S.A. and its consolidated subsidiaries, taken as a whole, as applicable, together with a description of the principal risks and uncertainties they face.

/s/ Paolo Rocca
Chief Executive Officer
Paolo Rocca
April 14, 2011

/s/ Ricardo Soler
Chief Financial Officer
Ricardo Soler
April 14, 2011

FINANCIAL INFORMATION

Consolidated Financial Statements

For the years ended December 31, 2010, 2009 and 2008

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Tenaris S.A.

In our opinion, the accompanying consolidated statement of financial position and the related consolidated statements of income, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of Tenaris S.A. and its subsidiaries at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Buenos Aires, Argentina

April 14, 2011

PRICE WATERHOUSE &
CO. S.R.L.

by /s/ Diego M.
Niebuhr (Partner)
Diego M. Niebuhr

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CONSOLIDATED INCOME STATEMENT

(all amounts in thousands of U.S. dollars, unless otherwise stated)

		Year ended December 31,		
	Notes	2010	2009	2008
Continuing operations				
Net sales	1	7,711,598	8,149,320	11,987,760
Cost of sales	1 & 2	(4,700,810)	(4,864,922)	(6,698,285)
Gross profit		3,010,788	3,284,398	5,289,475
Selling, general and administrative expenses	1 & 3	(1,515,870)	(1,473,791)	(1,787,952)
Other operating income	5(i)	85,658	7,673	35,140
Other operating expenses	5 (ii)	(7,029)	(4,673)	(411,013)
Operating income		1,573,547	1,813,607	3,125,650
Interest income	6	32,855	30,831	48,711
Interest expense	6	(64,103)	(118,301)	(179,885)
Other financial results	6	(21,305)	(64,230)	(99,850)
Income before equity in earnings of associated companies and income tax		1,520,994	1,661,907	2,894,626
Equity in earnings of associated companies	7	70,057	87,041	89,423
Income before income tax		1,591,051	1,748,948	2,984,049
Income tax	8	(450,004)	(513,211)	(1,015,334)
Income for continuing operations		1,141,047	1,235,737	1,968,715
Discontinued operations				
Result for discontinued operations	29	-	(28,138)	306,905
Income for the year		1,141,047	1,207,599	2,275,620
Attributable to:				
Equity holders of the Company		1,127,367	1,161,555	2,124,802
Non-controlling interests		13,680	46,044	150,818
		1,141,047	1,207,599	2,275,620
Earnings per share attributable to the equity holders of the Company during year:				
Weighted average number of ordinary shares (thousands)	9	1,180,537	1,180,537	1,180,537
Continuing and Discontinued operations				
Basic and diluted earnings per share (U.S. dollars per share)	9	0.95	0.98	1.80
Basic and diluted earnings per ADS (U.S. dollars per ADS)	9	1.91	1.97	3.60
Continuing operations				
Basic and diluted earnings per share (U.S. dollars per share)		0.95	1.00	1.49
Basic and diluted earnings per ADS (U.S. dollars per ADS)		1.91	2.00	2.99

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(all amounts in thousands of U.S. dollars)

	Year ended December 31,		
	2010	2009	2008
Income for the year	1,141,047	1,207,599	2,275,620
Other comprehensive income:			
Currency translation adjustment	108,184	357,511	(486,636)
Changes in the fair value of derivatives held as cash flow hedges	7,649	1,384	(8,513)
Share of other comprehensive income of associates:			
- Currency translation adjustment	11,413	(1,302)	(51,004)
- Changes in the fair value of derivatives held as cash flow hedges	1,049	2,722	(6,044)
Income tax relating to components of other comprehensive income (*)	(3,316)	2,089	3,003
Other comprehensive income for the year, net of tax	124,979	362,404	(549,194)
Total comprehensive income for the year	1,266,026	1,570,003	1,726,426
Attributable to:			
Equity holders of the Company	1,211,945	1,423,986	1,620,640
Non-controlling interests	54,081	146,017	105,786
	1,266,026	1,570,003	1,726,426

(*) Relates to Cash flow hedges.

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in thousands of
U.S. dollars)

	Notes	At December 31, 2010		At December 31, 2009	
ASSETS					
Non-current assets					
Property, plant and equipment, net	10	3,780,580		3,254,587	
Intangible assets, net	11	3,581,816		3,670,920	
Investments in associated companies	12	671,855		602,572	
Other investments	13	43,592		34,167	
Deferred tax assets	21	210,523		197,603	
Receivables	14	120,429	8,408,795	101,618	7,861,467
Current assets					
Inventories	15	2,460,384		1,687,059	
Receivables and prepayments	16	282,536		220,124	
Current tax assets	17	249,317		260,280	
Trade receivables	18	1,421,642		1,310,302	
Available for sale assets	32	21,572		21,572	
Other investments	19	676,224		579,675	
Cash and cash equivalents	19	843,861	5,955,536	1,542,829	5,621,841
Total assets			14,364,331		13,483,308
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Non-controlling interests			9,902,359		9,092,164
Total equity			648,221		628,672
			10,550,580		9,720,836
LIABILITIES					
Non-current liabilities					
Borrowings	20	220,570		655,181	
Deferred tax liabilities	21	934,226		860,787	
Other liabilities	22(i)	193,209		192,467	
Provisions	23 (ii)	83,922		80,755	
Trade payables		3,278	1,435,205	2,812	1,792,002
Current liabilities					
Borrowings	20	1,023,926		791,583	
Current tax liabilities	17	207,652		306,539	
Other liabilities	22 (ii)	233,590		192,190	
Provisions	24 (ii)	25,101		28,632	
Customer advances		70,051		95,107	
Trade payables		818,226	2,378,546	556,419	1,970,470
Total liabilities			3,813,751		3,762,472

Total equity and liabilities	14,364,331	13,483,308
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Contingencies, commitments and restrictions to the distribution of profits are disclosed in Note 26.

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(all amounts in thousands of U.S. dollars)

	Attributable to equity holders of the Company						Total	Non-controlling interests	Total
	Share Capital (1)	Legal Reserves	Share Premium	Currency Translation Adjustment	Other Reserves	Retained Earnings (2)			
Balance at January 1, 2010	1,180,537	118,054	609,733	29,533	10,484	7,143,823	9,092,164	628,672	9,720,836
Income for the year	-	-	-	-	-	1,127,367	1,127,367	13,680	1,141,047
Currency translation adjustment	-	-	-	67,473	-	-	67,473	40,711	108,184
Hedge reserve, net of tax	-	-	-	-	4,643	-	4,643	(310)	4,333
Share of other comprehensive income of associates	-	-	-	11,413	1,049	-	12,462	-	12,462
Other comprehensive income for the year	-	-	-	78,886	5,692	-	84,578	40,401	124,979
Total comprehensive income for the year	-	-	-	78,886	5,692	1,127,367	1,211,945	54,081	1,266,026
Acquisition and increase of non-controlling interests	-	-	-	-	(367)	-	(367)	(2,651)	(3,018)
Dividends paid in cash	-	-	-	-	-	(401,383)	(401,383)	(31,881)	(433,264)
Balance at December 31, 2010	1,180,537	118,054	609,733	108,419	15,809	7,869,807	9,902,359	648,221	10,550,580

(1) The Company has an authorized share capital of a single class of 2.5 billion shares having a nominal value of \$1.00 per share. As of December 31, 2010 there were 1,180,536,830 shares issued. All issued shares are fully paid.

(2) The Distributable Reserve and Retained Earnings calculated according to Luxembourg Law are disclosed in Note 26.

The accompanying notes are an integral part of these Consolidated Financial Statements.

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

	Attributable to equity holders of the Company								
	Share Capital (1)	Legal Reserves	Share Premium	Currency Translation Adjustment	Other Reserves	Retained Earnings	Total	Non-controlling interests	Total
Balance at January 1, 2009	1,180,537	118,054	609,733	(223,779)	2,127	6,489,899	8,176,571	525,316	8,701,887
Income for the year	-	-	-	-	-	1,161,555	1,161,555	46,044	1,207,599
Currency translation adjustment	-	-	-	254,614	-	-	254,614	102,897	357,511
Hedge reserve, net of tax	-	-	-	-	6,397	-	6,397	(2,924)	3,473
Share of other comprehensive income of associates	-	-	-	(1,302)	2,722	-	1,420	-	1,420
Other comprehensive income for the year	-	-	-	253,312	9,119	-	262,431	99,973	362,404
Total comprehensive income for the year	-	-	-	253,312	9,119	1,161,555	1,423,986	146,017	1,570,003
Acquisition and decrease of non-controlling interests	-	-	-	-	(783)	-	(783)	3,425	2,642
Change in equity reserves	-	-	-	-	21	-	21	-	21
Dividends paid in cash	-	-	-	-	-	(507,631)	(507,631)	(46,086)	(553,717)
Balance at December 31, 2009	1,180,537	118,054	609,733	29,533	10,484	7,143,823	9,092,164	628,672	9,720,836

	Attributable to equity holders of the Company								
	Share Capital (1)	Legal Reserves	Share Premium	Currency Translation Adjustment	Other Reserves	Retained Earnings	Total	Non-controlling interests	Total

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Balance at January 1, 2008	1,180,537	118,054	609,733	266,049	18,203	4,813,701	7,006,277	523,573	7,529,850
Income for the year	-	-	-	-	-	2,124,802	2,124,802	150,818	2,275,620
Currency translation adjustment	-	-	-	(438,824)	-	-	(438,824)	(47,812)	(486,636)
Hedge reserve, net of tax	-	-	-	-	(8,290)	-	(8,290)	2,780	(5,510)
Share of other comprehensive income of associates	-	-	-	(51,004)	(6,044)	-	(57,048)	-	(57,048)
Other comprehensive income for the year	-	-	-	(489,828)	(14,334)	-	(504,162)	(45,032)	(549,194)
Total comprehensive income for the year	-	-	-	(489,828)	(14,334)	2,124,802	1,620,640	105,786	1,726,426
Acquisition and decrease of non-controlling interests	-	-	-	-	(1,742)	-	(1,742)	(16,843)	(18,585)
Dividends paid in cash	-	-	-	-	-	(448,604)	(448,604)	(87,200)	(535,804)
Balance at December 31, 2008	1,180,537	118,054	609,733	(223,779)	2,127	6,489,899	8,176,571	525,316	8,701,887

(1) The Company has an authorized share capital of a single class of 2.5 billion shares having a nominal value of \$1.00 per share. As of December 31, 2009 and 2008 there were 1,180,536,830 shares issued. All issued shares are fully paid.

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(all amounts in thousands of U.S. dollars)

		Year ended December 31,		
	Note	2010	2009	2008
Cash flows from operating activities				
Income for the year		1,141,047	1,207,599	2,275,620
Adjustments for:				
Depreciation and amortization	10 & 11	506,902	504,864	532,934
Income tax accruals less payments	28 (ii)	(57,979)	(458,086)	(225,038)
Equity in earnings of associated companies	7	(70,057)	(86,179)	(89,556)
Interest accruals less payments, net	28 (iii)	17,700	(24,167)	55,492
Income from disposal of investment and other		-	-	(394,323)
Changes in provisions		(364)	(7,268)	783
Impairment (reversal) charge	5	(67,293)	-	502,899
Changes in working capital	28(i)	(644,050)	1,737,348	(1,051,632)
Other, including currency translation adjustment		44,914	189,837	(142,174)
Net cash provided by operating activities		870,820	3,063,948	1,465,005
Cash flows from investing activities				
Capital expenditures	10 & 11	(847,316)	(460,927)	(443,238)
Acquisitions of subsidiaries and associated companies		(302)	(64,029)	-
Proceeds from the sale of pressure control business (*)	29	-	-	1,113,805
Proceeds from disposal of property, plant and equipment and intangible assets		9,290	16,310	17,161
Dividends and distributions received from associated companies	12	14,034	11,420	15,032
Investments in short terms securities		(96,549)	(533,812)	41,667
Other		-	-	(3,428)
Net cash (used in) provided by investing activities		(920,843)	(1,031,038)	740,999
Cash flows from financing activities				
Acquisitions of non-controlling interests	27	(3,018)	(9,555)	(18,585)
Dividends paid		(401,383)	(507,631)	(448,604)
Dividends paid to non-controlling interest in subsidiaries		(31,881)	(46,086)	(87,200)
Proceeds from borrowings		647,608	631,544	1,087,649
Repayments of borrowings		(862,921)	(2,096,925)	(2,122,268)
Net cash used in financing activities		(651,595)	(2,028,653)	(1,589,008)
(Decrease) increase in cash and cash equivalents		(701,618)	4,257	616,996
Movement in cash and cash equivalents				
At the beginning of the year		1,528,707	1,525,022	954,303
Effect of exchange rate changes		(6,924)	9,124	(46,277)
Decrease in cash due to deconsolidation	32	-	(9,696)	-
(Decrease) increase in cash and cash equivalents		(701,618)	4,257	616,996
At December 31,	28 (iv)	820,165	1,528,707	1,525,022

(* Includes \$394 million of after-tax gain, \$381 million of assets and liabilities held for sale and \$339 million of income tax charges and related expenses.

The accompanying notes are an integral part of these Consolidated Financial Statements.

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I. GENERAL INFORMATION

Tenaris S.A. (the “Company”), a Luxembourg corporation (société anonyme holding), was incorporated on December 17, 2001, as a holding company in steel pipe manufacturing and distributing operations. The Company holds, either directly or indirectly, controlling interests in various subsidiaries. References in these financial statements to “Tenaris” refer to Tenaris S.A. and its consolidated subsidiaries.

The Company’s shares trade on the Milan Stock Exchange, the Buenos Aires Stock Exchange and the Mexico City Stock Exchange; the Company’s American Depositary Securities (“ADS”) trade on the New York Stock Exchange.

These Consolidated Financial Statements were approved for issue by the Company’s Board of Directors on February 23, 2011.

II. Accounting policies

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A Basis of presentation

The Consolidated Financial Statements of Tenaris have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union, under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss. The Consolidated Financial Statements are presented in thousands of U.S. dollars (“\$”).

Certain comparative amounts have been reclassified to conform to changes in presentation in the current year.

The preparation of consolidated 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 at the reporting dates, and the reported amounts of revenues and expenses during the reporting years. Actual results may differ from these estimates.

(1) New and amended standards effective in 2010 and relevant for Tenaris

§ IFRS 3 (revised January 2008), “Business Combinations”

In January 2008, the IASB issued IFRS 3 (revised January 2008), “Business Combinations” (“IFRS 3 - revised”). IFRS 3 revised includes amendments that are meant to provide guidance for applying the acquisition method.

IFRS 3 revised replaces IFRS 3 (as issued in 2004) and comes into effect for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009.

This standard does not impact the current financial statements, and future impact is dependent on the existence of business combinations.

A Basis of presentation (Cont.)

(1) New and amended standards effective in 2010 and relevant for Tenaris (Cont.)

§ IAS 27 Revised, “Consolidated and separate financial statements”

This revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. This amendment has no material effect on the Company’s financial condition and results of operations.

§ Amendment to IFRS 5 “Non-current Assets held for sale and Discontinued Operations”

In May 2008, the IASB amended IFRS 5 “Non-current Assets held for sale and Discontinued Operations” by requiring this classification although the entity retains a non-controlling interest.

This standard does not impact the current financial statements, and future impact is dependent on the existence of discontinued operations.

(2) New standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted

§ IFRS 9, “Financial Instruments”

In November 2009, the IASB issued IFRS 9 “Financial Instruments” which establishes principles for the financial reporting of financial assets by simplifying their classification and measurement.

This interpretation is applicable for annual periods beginning on or after 1 January 2013. Earlier application is not permitted for entities that prepare financial statements in accordance with IFRS as adopted by the EU, since the interpretation is not yet adopted by the EU.

The Company’s management has not yet assessed the potential impact that the application of IFRS 9 will have on the Company’s financial statements.

§ Improvements to International Financial Reporting Standards

In May 2010, the IASB issued “Improvements to International Financial Reporting Standards” by which it amended several international accounting and financial reporting standards. Entities shall apply these amendments for annual periods beginning on or after January 1, 2011. Earlier application is not permitted for entities that prepare financial statements in accordance with IFRS as adopted by the EU, since these improved standards are not yet adopted by the EU.

The Company’s management estimates that the application of these amendments will not have a material effect on the Company’s financial condition or results of operations.

Management assessed the relevance of other new standards, amendments or interpretations not yet effective and concluded that they are not relevant to Tenaris.

B Group accounting

(1) Subsidiaries

Subsidiaries are all entities which are controlled by Tenaris as a result of its ability to govern an entity's financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date on which control is exercised by the Company and are no longer consolidated from the date control ceases.

B Group accounting (Cont.)

(1) Subsidiaries (Cont.)

The purchase method of accounting is used to account for the acquisition of subsidiaries by Tenaris. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree over the fair value of Tenaris share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the Consolidated Income Statement.

Material inter-company transactions, balances and unrealized gains (losses) on transactions between Tenaris subsidiaries have been eliminated in consolidation. However, since the functional currency of some subsidiaries is its respective local currency, some financial gains (losses) arising from inter-company transactions are generated. These are included in the Consolidated Income Statement under Other financial results.

See Note 31 for the list of the principal subsidiaries.

(2) Associates

Associates are all entities in which Tenaris has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Company's investment in associates includes goodwill identified in acquisition, net of any accumulated impairment loss.

Unrealized results on transactions between Tenaris and its associated companies are eliminated to the extent of Tenaris' interest in the associated companies. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Financial statements of associated companies have been adjusted where necessary to ensure consistency with IFRS.

The Company's pro-rata share of earnings in associates is recorded in the Consolidated Income Statement under Equity in earnings of associated companies. The Company's pro-rata share of changes in other reserves is recognized in the Consolidated Statement of Changes in Equity under Other Reserves.

The Company's investment in Ternium S.A. ("Ternium") has been accounted for by the equity method, as Tenaris has significant influence as defined by IAS 28, "Investments in Associates". At December 31, 2010, Tenaris holds 11.46% of Ternium's common stock. The Company's investment in Ternium is carried at incorporation cost plus proportional ownership of Ternium's earnings and other shareholders' equity accounts. Because the exchange of its holdings in Amazonia and Ylopa for shares in Ternium was considered to be a transaction between companies under common control of San Faustin N.V., Tenaris recorded its initial ownership interest in Ternium at \$229.7 million, the carrying value of the investments exchanged. This value was \$22.6 million less than Tenaris proportional ownership of Ternium's shareholders' equity at the transaction date. As a result of this treatment, Tenaris investment in Ternium will not reflect its proportional ownership of Ternium's net equity position. Ternium carried out an initial public offering ("IPO") of its shares on February 1, 2006, listing its ADS on the New York Stock Exchange.

Tenaris reviews investments in associated companies for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable, such as a significant or prolonged decline in fair value below the carrying value. Tenaris carries its investment in Ternium at its proportional equity value, with no additional goodwill or intangible assets recognized. At December 31, 2010, 2009 and 2008, no impairment provisions were recorded on Tenaris' investment in Ternium.

C Segment information

The Company is organized in two major business segments: Tubes and Projects, which are also the reportable operating segments.

For purposes of this determination, the Company considered not only the nature of products and services, the economic characteristics and financial effects of each business activities in which the entity engages and the related economic environment in which it operates but particularly also factors such as the nature of the products and services, the nature of the production processes, the type or class of customer for the products and services and the method used to distribute the products or provide the related services.

The Tubes segment includes the operations that consist of the production and selling of both seamless and welded steel tubular products and related services mainly for the oil and gas industry, particularly oil country tubular goods (OCTG) used in drilling operations, and certain other industrial applications with a production process that consists in the transformation of steel into tubular products. Business activities included in this segment are mainly dependent on the oil and gas industry worldwide, as this industry is a major consumer of steel pipe products, particularly OCTG used in drilling activities. Demand for steel pipe products from the oil and gas industry has historically been volatile and depends primarily upon the number of oil and natural gas wells being drilled, completed and reworked, and the depth and drilling conditions of these wells. Sales are generally done to the end user customers, with exports being done through a centrally managed global distribution network and domestic sales done, through local subsidiaries.

The Projects segment includes the operations that consist of the production and selling of welded steel pipe products mainly used in the construction of major pipeline projects for the transportation of gas and fluids with a production process that consists in the transformation of steel into large diameter welded tubular products, including SAW process and specific coating for most of the products. Pipeline projects are typically spread along hundreds of kilometers and are subject to specific government policies and other regulations. Accordingly, this business depends to a large extent on the number of active pipeline projects (and not on the level of drilling activity), particularly in the South American regional market, which is the region from which most revenues in this segment are derived. To a significant extent, products are distributed directly to end customers through the local subsidiaries. Each order involves the delivery of significant volumes of products in stages through an extended period of time.

The Other segment includes all other business activities and operating segments that are not required to be separately reported, including the operations that consist of the production and selling of sucker rods, welded steel pipes for electric conduits, industrial equipment and raw materials that exceed Tenaris' internal requirements.

Corporate general and administrative expenses have been allocated to the Tubes segment.

Tenaris groups its geographical information in five areas: North America, South America, Europe, Middle East and Africa, and Far East and Oceania. For purposes of reporting geographical information, net sales are allocated to geographical areas based on the customer's location; allocation of assets and capital expenditures and associated depreciation and amortization are based on the geographic location of the assets.

D Foreign currency translation

(1) Functional and presentation currency

IAS 21 (revised) defines the functional currency as the currency of the primary economic environment in which an entity operates.

The functional and presentation currency of the Company is the U.S. dollar. The U.S. dollar is the currency that best reflects the economic substance of the underlying events and circumstances relevant to Tenaris global operations.

D Foreign currency translation (Cont.)

(1) Functional and presentation currency (Cont.)

Generally, the functional currency of the Company's subsidiaries is the respective local currency. Tenaris Argentine operations, however, which consist of Siderca S.A.I.C. ("Siderca") and its Argentine subsidiaries, have determined their functional currency to be the U.S. dollar, based on the following considerations:

Sales are mainly negotiated, denominated and settled in U.S. dollars. If priced in a currency other than the U.S. dollar, the price considers exposure to fluctuation in the exchange rate versus the U.S. dollar;

Prices of critical raw materials and inputs are priced and settled in U.S. dollars;

The exchange rate of the currency of Argentina has long-been affected by recurring and severe economic crises; and

Net financial assets and liabilities are mainly received and maintained in U.S. dollars.

In addition to Siderca, the Colombian subsidiaries and most of the Company's distributing subsidiaries and intermediate holding subsidiaries have the U.S. dollar as their functional currency, reflecting the transaction environment and cash flow of these operations.

(2) Transactions in currencies other than the functional currency

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the date of the transactions or valuation where items are re-measured.

At the end of each reporting period: (i) monetary items denominated in currencies other than the functional currency are translated using the closing rates; (ii) non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are translated using the exchange rates prevailing at the date of the transactions; and (iii) non-monetary items that are measured at fair value in a currency other than the functional currency are translated using the exchange rates prevailing at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recorded as gains and losses from foreign exchange and included in "Other financial results" in the Consolidated Income Statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the "fair value gain or loss," while translation differences on non-monetary financial assets such as equities classified as available for sale are included in the "available for sale reserve" in equity. Tenaris had no such assets or liabilities for any of the periods presented.

(3) Translation of financial information in currencies other than the functional currency

Results of operations for subsidiaries whose functional currencies are not the U.S. dollar are translated into U.S. dollars at the average exchange rates for each quarter of the year. Financial Statement positions are translated at the end-of-year exchange rates. Translation differences are recognized in a separate component of equity as currency translation adjustments. In the case of a sale or other disposal of any of such subsidiaries, any accumulated translation difference would be recognized in income as a gain or loss from the sale.

E Property, plant and equipment

Property, plant and equipment are recognized at historical acquisition or construction cost less accumulated depreciation and impairment losses; historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment acquired through acquisitions accounted for as business combinations have been valued initially at the fair market value of the assets acquired.

Major overhaul and rebuilding expenditures are capitalized as property, plant and equipment only when the investment enhances the condition of assets beyond its original condition. The carrying amount of the replaced part is derecognized.

E Property, plant and equipment (Cont.)

Ordinary maintenance expenses on manufacturing properties are recorded as cost of products sold in the year in which they are incurred.

Borrowing costs that are attributable to the acquisition or construction of certain capital assets are capitalized as part of the cost of the asset, in accordance with IAS 23(R) (“Borrowing Costs”). Assets for which borrowing costs are capitalized are those that require a substantial period of time to prepare for their intended use.

Depreciation method is reviewed at each year end. Depreciation is calculated using the straight-line method to depreciate the cost of each asset to its residual value over its estimated useful life, as follows:

Land	No Depreciation
Buildings and improvements	30-50 years
Plant and production equipment	10-30 years
Vehicles, furniture and fixtures, and other equipment	4-10 years

The asset’s residual values and useful lives of significant plant and production equipment are reviewed, and adjusted if appropriate, at each year-end date.

Management’s re-estimation of assets useful lives, performed in accordance with IAS 16 (“Property plant and equipment”), did not materially affect depreciation expenses for 2010.

Tenaris depreciates each significant part of an item of property, plant and equipment for its different production facilities that (i) can be properly identified as an independent component with a cost that is significant in relation to the total cost of the item, and (ii) has a useful operating life that is different from another significant part of that same item of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of assets and are recognized under Other operating income or Other operating expenses in the Consolidated Income Statement.

F Intangible assets

(1) Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of Tenaris’s share of net identifiable assets acquired as part of business combinations determined mainly by independent valuations. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is included on the Consolidated Statement of Financial Position under Intangible assets, net.

For the purpose of impairment testing, goodwill is allocated to a subsidiary or group of subsidiaries that are expected to benefit from the business combination which generated the goodwill being tested.

(2) Information systems projects

Costs associated with developing or maintaining computer software programs are generally recognized as an expense as incurred. However, costs directly related to the development, acquisition and implementation of information

systems are recognized as intangible assets if it is probable they have economic benefits exceeding one year.

Information systems projects recognized as assets are amortized using the straight-line method over their useful lives, not exceeding a period of 3 years. Amortization charges are classified as Selling, general and administrative expenses in the Consolidated Income Statement.

F Intangible assets (Cont.)

(3) Licenses, patents, trademarks and proprietary technology

Licenses, patents, trademarks, and proprietary technology acquired in a business combination are initially recognized at fair value at the acquisition date. Licenses, patents, proprietary technology and those trademarks that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives, and does not exceed a period of 10 years.

The balance of acquired trademarks amounts to \$89.7 million and \$88.0 million at December 31, 2010 and 2009 respectively, have indefinite useful lives according to external appraisal. Main factors considered in the determination of the indefinite useful lives, include the years that they have been in service and their recognition among customers in the industry.

(4) Research and development

Research expenditures as well as development costs that do not fulfill the criteria for capitalization are recorded as Cost of sales in the Consolidated Income Statement as incurred. Research and development expenditures included in Cost of sales for the years 2010, 2009 and 2008 totaled \$61.8 million, \$62.7 million and \$77.3 million, respectively.

(5) Customer relationships

In accordance with IFRS 3 and IAS 38, Tenaris has recognized the value of customer relationships separately from goodwill attributable to the acquisition of Maverick and Hydril.

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships acquired in a business combination have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight line method over the expected life of approximately 14 years for Maverick and 10 years for Hydril.

G Impairment of non financial assets

Long-lived assets including identifiable intangible assets are reviewed for impairment at the lowest level for which there are separately identifiable cash flows (cash generating units, or CGU). Most of the Company's principal subsidiaries that constitute a CGU have a single main production facility and, accordingly, each such subsidiary represents the lowest level of asset aggregation that generates largely independent cash inflows.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful life, including goodwill, are subject to at least an annual impairment test.

In assessing whether there is any indication that a CGU may be impaired, external and internal sources of information are analyzed. Material facts and circumstances specifically considered in the analysis usually include the discount rate used in Tenaris's cash flow projections and the business condition in terms of competitive and economic factors, such as the cost of raw materials, oil and gas prices, competitive environment, capital expenditure programs for Tenaris's customers and the evolution of the rig count.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's value in use and fair value less costs to sell. Any impairment loss is

allocated to reduce the carrying amount of the assets of the CGU in the following order:

- (a) first, to reduce the carrying amount of any goodwill allocated to the CGU; and
- (b) then, to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units), considering not to reduce the carrying amount of the asset below the highest of its fair value less cost to sell, its value in use or zero.

The value in use of each CGU is determined on the basis of the present value of net future cash flows which would be generated by such CGU. Tenaris uses cash flow projections for a five year period with a terminal value calculated based on perpetuity and appropriate discount rates.

For purposes of calculating the fair value less costs to sell Tenaris uses the estimated value of future cash flows that a market participant could generate from the corresponding CGU. Tenaris uses cash flow projections for a five year period with a terminal value calculated based on perpetuity and appropriate discount rates.

Management judgment is required to estimate discounted future cash flows. Actual cash flows and values could vary significantly from the forecasted future cash flows and related values derived using discounting techniques.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal at each reporting date. In 2010, the Company reversed the impairment registered in 2008 corresponding to Prudential CGU's Customer Relationships (see Note 5).

In 2010 and 2009, none of the Company's CGUs including long-lived assets with finite useful lives, were tested for impairment as no impairment indicators were identified. In 2008, Tenaris identified the presence of impairment indicators in certain CGUs and, accordingly, carried out impairment tests (see Note 5 "Other operating items — Impairment charge" for the related disclosures of the CGU's impairment tests) and Note 11 "Intangible assets, net" for a detail of the different impairment tests for goodwill.

H Other investments

Other investments consist primarily of investments in financial debt instruments and time deposits with an original maturity of more than three months.

These investments are classified as financial assets "at fair value through profit or loss".

Purchases and sales of financial investments are recognized as of their settlement date.

The fair values of quoted investments are based on current bid prices. If the market for a financial investment is not active or the securities are not listed, Tenaris estimates the fair value by using standard valuation techniques (see Section III Financial Risk Management).

Results from financial investments are recognized in Financial Results in the Consolidated Income Statement.

I Inventories

Inventories are stated at the lower of cost (calculated principally on the first-in-first-out "FIFO" method) and net realizable value. The cost of finished goods and goods in process is comprised of raw materials, direct labor, other direct costs and related production overhead costs. It excludes borrowing costs. Tenaris estimates net realizable value of inventories by grouping, where applicable, similar or related items. Net realizable value is the estimated selling price in the ordinary course of business, less any estimated costs of completion and selling expenses. Goods in transit at year end are valued based on supplier's invoice cost.

Tenaris establishes an allowance for obsolete or slow-moving inventory related to finished goods, supplies and spare parts. For slow moving or obsolete finished products, an allowance is established based on management's analysis of product aging. An allowance for slow-moving inventory of supplies and spare parts is established based on management's analysis of such items to be used as intended and the consideration of potential obsolescence due to

technological changes.

J Trade and other receivables

Trade and other receivables are recognized initially at fair value, generally the original invoice amount. Tenaris analyzes its trade accounts receivable on a regular basis and, when aware of a specific counterparty's difficulty or inability to meet its obligations to Tenaris, impairs any amounts due by means of a charge to an allowance for doubtful accounts receivable. Additionally, this allowance is adjusted periodically based on the aging of receivables.

K Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, liquidity funds and short-term investments with a maturity of less than three months at the date of purchase. Assets recorded in cash and cash equivalents are carried at fair market value or at historical cost which approximates fair market value.

In the Consolidated Statement of Financial Position, bank overdrafts are included in Borrowings in current liabilities. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes overdrafts.

L Equity

(1) Equity components

The Consolidated Statement of Changes in Equity includes:

The value of share capital, legal reserve, share premium and other distributable reserve calculated in accordance with Luxembourg Law;

The currency translation adjustment, other reserves, retained earnings and non-controlling interest calculated in accordance with IFRS.

(2) Share capital

The Company has an authorized share capital of a single class of 2.5 billion shares having a nominal value of \$1.00 per share. Total ordinary shares issued and outstanding as of December 31, 2010, 2009 and 2008 are 1,180,536,830 with a par value of \$1.00 per share with one vote each. All issued shares are fully paid.

(3) Dividends distribution by the Company to shareholders

Dividends distributions are recorded in the Company's financial statements when Company's shareholders have the right to receive the payment, or when interim dividends are approved by the Board of Directors in accordance with the by-laws of the Company.

Dividends may be paid by the Company to the extent that it has distributable retained earnings, calculated in accordance with Luxembourg law (see Note 26).

M Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. In subsequent years, borrowings are stated at amortized costs.

N Current and Deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Consolidated Income Statement, except to the extent that it relates to items recognized in the Consolidated Statement of Other Comprehensive Income. In this case, the tax is also recognized in the Consolidated Statement of Other Comprehensive Income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management

periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions when appropriate.

Deferred income tax is recognized applying the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from fair value adjustments of assets acquired in business combinations, the effect of currency translation on fixed assets, depreciation on property, plant and equipment, valuation of inventories and provisions for pension plans. Deferred tax assets are also recognized for net operating loss carry-forwards. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the time period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the reporting date.

N Current and Deferred income tax (Cont.)

Deferred tax assets are recognized to the extent it is probable that future taxable income will be available against which the temporary differences can be utilized. At the end of each reporting period, Tenaris reassesses unrecognized deferred tax assets. Tenaris recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

O Employee benefits

(a) Employee severance indemnity

Employee severance indemnity costs are assessed at each year-end using the projected unit credit method. Employee severance indemnity obligations are measured at the present value of the estimated future cash outflows, based on actuarial calculations provided by independent advisors and in accordance with current legislation and labor contracts in effect in each respective country. The cost of this obligation is charged to the Consolidated Income Statement over the expected service lives of employees.

This provision is primarily related to the liability accrued for employees at Tenaris' Italian subsidiary.

As from January 1, 2007 as a consequence of a change in an Italian law, employees were entitled to make contributions to external funds or to maintain the contributions within the company. If the employee chooses to make contributions to the external funds Tenaris' Italian subsidiary pays every year the matured contribution to the funds and no more obligation will be in charge of it. As a consequence of the abovementioned, the structure of the plan could be changed from a defined benefit plan to a defined contribution plan effective from the date of the choice, but only limited to the contributions of 2007 onwards.

(b) Defined benefit pension obligations

Defined benefit plans determine an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets together with adjustments for unrecognized past-service costs and unrecognized actuarial gains and losses. The present value of the defined benefit pension obligation is calculated, at least at each year-end by independent advisors using the projected unit credit method based on actuarial calculations provided by independent advisors.

Certain officers of Tenaris are covered by defined benefit employee retirement plans designed to provide post-retirement and other benefits.

Benefits under this plan are provided in U.S. dollars, and are calculated based on seven-year salary averages. Tenaris accumulates assets for the payment of benefits expected to be disbursed by this plan in the form of investments that are subject to time limitations for redemption. These investments are neither part of a specific pension plan nor are they segregated from Tenaris' other assets. As a result, this plan is considered to be "unfunded" under IFRS definitions.

Tenaris sponsors other four funded and unfunded non-contributory defined benefit pension plans in certain subsidiaries. The plans provide defined benefits based on years of service and, in the case of salaried employees, final average salary.

All of Tenaris' plans recognize actuarial gains and losses over the average remaining service lives of employees.

(c) Other compensation obligations

Employee entitlements to annual leave and long-service leave are accrued as earned.

Other length of service based compensation to employees in the event of dismissal or death is charged to income in the year in which it becomes payable.

O Employee benefits (Cont.)

(d) Employee retention and long term incentive program

On January 1, 2007 Tenaris adopted an employee retention and long term incentive program. Pursuant to this program, certain senior executives will be granted with a number of units' equivalent in value to the equity book value per share (excluding non-controlling interest). The units will be vested over four years period and Tenaris will redeem vested units following a period of seven years from the grant date, or when the employee ceases employment, at the equity book value per share at the time of payment. Beneficiaries will also receive a cash amount per unit equivalent to the dividend paid per share whenever the Company pays a cash dividend to its shareholders. As the cash payment of the benefit is tied to the book value of the shares, and not to their market value, Tenaris valued this long-term incentive program as a long term benefit plan as classified in IAS 19.

Annual compensation under this program is not expected to exceed 35% in average of the total annual compensation of the beneficiaries.

The total value of the units granted to date under the program, considering the number of units and the book value per share amounts to \$40.4 million and \$27.6 million at December 31, 2010 and 2009, respectively. As of December 31, 2010, and 2009 Tenaris has recorded a total liability of \$33.5 million and \$19.6 million, respectively, based on actuarial calculations provided by independent advisors.

P Employees' statutory profit sharing

Under Mexican law, the Company's Mexican subsidiaries are required to pay to their employees an annual benefit calculated on a similar basis to that used for local income tax purposes. Employee statutory profit sharing is calculated using the liability method, and is recorded in Current other liabilities and Non-current other liabilities in the Consolidated Statement of Financial Position. Because Mexican employee statutory profit sharing is determined on a similar basis to that used for determining local income taxes, Tenaris accounts for temporary differences arising between the statutory calculation and reported expense as determined under IFRS in a manner similar to the calculation of deferred income tax.

Q Provisions

Tenaris is subject to various claims, lawsuits and other legal proceedings, including customer claims, in which a third party is seeking payment for alleged damages, reimbursement for losses or indemnity. Tenaris' potential liability with respect to such claims, lawsuits and other legal proceedings cannot be estimated with certainty. Management periodically reviews the status of each significant matter and assesses potential financial exposure. If a potential loss from a claim or proceeding is considered probable and the amount can be reasonably estimated, a provision is recorded. Accruals for loss contingencies reflect a reasonable estimate of the losses to be incurred based on information available to management as of the date of preparation of the financial statements, and take into consideration Tenaris' litigation and settlement strategies. These estimates are primarily constructed with the assistance of legal counsel. As the scope of liabilities become better defined, there may be changes in the estimates of future costs which could have a material adverse effect on its results of operations, financial condition and cash flows.

If Tenaris expects to be reimbursed for an accrued expense, as would be the case for an expense or loss covered under an insurance contract, and reimbursement is considered virtually certain, the expected reimbursement is recognized as a receivable.

R Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

S Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of Tenaris' activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

S Revenue recognition (Cont.)

Tenaris' products and services are sold based upon purchase orders, contracts or upon other persuasive evidence of an arrangement with customers, including that the sales price is known or determinable. Sales are recognized as revenue upon delivery, when neither continuing managerial involvement nor effective control over the products is retained by Tenaris and when collection is reasonably assured. Delivery is defined by the transfer of risk, provision of sales contracts and may include delivery to a storage facility located at one of the Company's subsidiaries. For bill and hold transactions revenue is recognized only to the extent (a) it is probable delivery will be made; (b) the products have been specifically identified and are ready for delivery; (c) the sales contract specifically acknowledges the deferred delivery instructions; (d) the usual payment terms apply.

The percentage of total sales that were generated from bill and hold arrangements for products located in Tenaris's storage facilities that have not been shipped to customers amounted to 1.2%, 0.7% and 1.7% as of December 31, 2010, 2009 and 2008, respectively. The Company has not experienced any material claims requesting the cancellation of bill and hold transactions.

Other revenues earned by Tenaris are recognized on the following bases:

Interest income: on the effective yield basis.

Dividend income from investments in other companies: when Tenaris' right to receive payment is established.

T Cost of sales and sales expenses

Cost of sales and sales expenses are recognized in the Consolidated Income Statement on the accrual basis of accounting.

Commissions, freight and other selling expenses, including shipping and handling costs, are recorded in Selling, general and administrative expenses in the Consolidated Income Statement.

U Earnings per share

Earnings per share are calculated by dividing the income attributable to equity holders of the Company by the daily weighted average number of common shares outstanding during the year.

V Financial instruments

Non derivative financial instruments comprise investment in financial debt instruments and equity, time deposits, trade and other receivables, cash and cash equivalents, borrowings, and trade and other payables. Tenaris non derivative financial instruments are classified into the following categories:

Financial instruments at fair value through profit and loss: comprises mainly cash and cash equivalents and investments in financial debt instruments and time deposits held for trading.

Loans and receivables: measured at amortized cost using the effective interest rate method less any impairment.

Available for sale assets: See Note 32

Other financial liabilities: measured at amortized cost using the effective interest rate method.

The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

Financial assets and liabilities are recognized and derecognized on their settlement date.

Tenaris has identified certain embedded derivatives and in accordance with IAS 39 (“Financial Instruments: Recognition and Measurement”) has accounted them separately from their host contracts. The result has been recognized under “Foreign exchange derivatives contracts results”.

Accounting for derivative financial instruments and hedging activities is included within the Section III, Financial Risk Management.

iii. Financial risk management

The multinational nature of Tenaris' operations and customer base expose the Company to a variety of risks, mainly related to market risks (including the effects of changes in foreign currency exchange rates and interest rates) and capital risk. To manage the volatility related to these exposures, management evaluates exposures on a consolidated basis to take advantage of logical exposure netting. For each foreign currency's net exposure, the Company or its subsidiaries may enter into various derivative transactions in order to manage potential adverse impacts on the Tenaris' financial performance. Such derivative transactions are executed in accordance with internal policies and hedging practices.

A. Financial Risk Factors

(i) Capital Risk

Tenaris seeks to maintain an adequate debt to total equity ratio considering the industry and the markets where it operates. The year end ratio of debt to total equity (where "debt" comprises financial borrowings and "total equity" is the sum of financial borrowings and equity) is 0.11 as of December 31, 2010, in comparison with 0.13 as of December 31, 2009. The Company does not have to comply with regulatory capital adequacy requirements as known in the financial services industry.

(ii) Foreign exchange risk

Tenaris manufactures and sells its products in a number of countries throughout the world and consequently is exposed to foreign exchange rate risk. Since the Company's functional currency is the U.S. dollar the purpose of Tenaris' foreign currency hedging program is mainly to reduce the risk caused by changes in the exchange rates of other currencies against the U.S. dollar.

Tenaris' exposure to currency fluctuations is reviewed on a periodic basis. A number of derivative transactions are performed in order to achieve an efficient coverage. Almost all of these hedging transactions are forward exchange rates contracts (see Note 25 Derivative financial instruments).

Tenaris does not enter into derivative financial instruments for trading or other speculative purposes, other than non-material investments in structured products.

Because a number of subsidiaries have functional currencies other than the U.S. dollar, the results of hedging activities, reported in accordance with IFRS, may not reflect management's assessment of its foreign exchange risk hedging program. Inter-company balances between Tenaris subsidiaries may generate financial gains (losses) to the extent that functional currencies differ.

The value of Tenaris' financial assets and liabilities is subject to changes arising out of the variation of foreign currency exchange rates. The following table provides a breakdown of Tenaris' main financial assets and liabilities (including foreign exchange derivative contracts) exposed to foreign exchange risk as of December 31, 2010.

(all amounts in thousands of U.S. dollars)	Exposure
Brazilian real / U.S. dollar	304,229
Mexican Peso / U.S. dollar	177,227
Euro / U.S. dollar	(113,836)
Argentine Peso / U.S. dollar	(74,440)
Canadian dollar / U.S. dollar	(68,195)

A. Financial Risk Factors (Cont.)

(ii) Foreign exchange risk (Cont.)

The main relevant exposures correspond to:

Brazilian real / U.S. dollar.

Consists primarily of Cash and cash equivalent and Other investments denominated in U.S. dollar at subsidiaries which functional currency is the Brazilian real. A change of 1% in the BRL/USD exchange rate would generate a pre-tax gain / loss of \$2.7 million, which would be to a large extent offset by changes to Tenaris' net equity position. Tenaris has also entered into foreign exchange derivative contracts to preserve the U.S. dollar value of certain anticipated sales denominated in Brazilian real, which could add a gain / loss of \$0.3 million per one percent change in the BRL/USD exchange rate.

Mexican peso / U.S. dollar.

Consists primarily of various foreign exchange derivative contracts entered to preserve the U.S. dollar value of borrowings denominated in Mexican peso. A change of 1% in the MXN/USD exchange rate would generate a pre-tax gain / loss of \$2.0 million. Additionally Tenaris has Cash and cash equivalents and sales denominated in U.S. dollar at subsidiaries which functional currency is the Mexican peso, that could offset this impact by \$0.2 million per one percent change in the MXN/USD exchange rate.

Euro / U.S. dollar.

Consists primarily of U.S. dollar-denominated borrowings at certain European subsidiaries which functional currency is the Euro, partially offset by Euro denominated trade payables at subsidiaries which functional currency is the U.S. dollar. A change of 1% in the EUR/USD exchange rate would generate a pre-tax gain / loss of \$1.1 million, which would be to a large extent offset by changes to Tenaris' net equity position.

Considering the balances held as of December 31, 2010 on financial assets and liabilities exposed to foreign exchange rate fluctuations, Tenaris estimates that the impact of a simultaneous 1% favorable / unfavorable movement in the levels of foreign currencies exchange rates relative to the U.S. dollar, would be a pre-tax gain / loss of \$7.9 million (including a loss / gain of \$1.8 million due to foreign exchange derivative contracts), which would be partially offset by changes to Tenaris' net equity position of \$3.6 million. For balances held as of December 31, 2009, a simultaneous 1% favorable/unfavorable movement in the foreign currencies exchange rates relative to the U.S. dollar, would have generated a pre-tax gain / loss of \$12.6 million (including a non material effect due to foreign exchange derivative contracts), partially offset by changes to the net equity position of \$8.3 million.

Additionally, the Company has recognized an embedded derivative in connection with a ten-year steel supply agreement signed in 2007 by a Canadian subsidiary which as of December 31, 2010 has an estimated outstanding amount of approximately \$228 million. The Company estimates that the impact of a 1% favorable / unfavorable movement in the USD/CAD exchange rate would result in a maximum pre-tax gain / loss of approximately \$2.2 million and \$2.4 million as of December 31, 2010 and 2009 respectively.

(iii) Interest rate risk

Tenaris is subject to interest rate risk on its investment portfolio and its debt.

The following table summarizes the proportions of variable-rate and fixed-rate debt as of each year end.

As of December 31,

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	2010			2009		
	Amount in thousands of U.S. dollars	Percentage		Amount in thousands of U.S. dollars	Percentage	
Fixed rate	632,766	51	%	287,738	20	%
Variable rate	611,730	49	%	1,159,026	80	%
Total	1,244,496			1,446,764		

The Company estimates that, if market interest rates applicable to Tenaris's borrowings had been 100 basis points higher, then the additional pre-tax loss would have been \$10.5 million in 2010 and \$20.2 million in 2009. These results exclude the effect of existing interest rate swaps.

A. Financial Risk Factors (Cont.)

(iii) Interest rate risk (Cont.)

In order to partially hedge future interest payments related to long-term debt, Tenaris has entered into interest rate swaps and swaps with an embedded knock-in option (See Note 25). All of Tenaris' interest rate derivatives are designated for hedge accounting. Interest differentials earned on these contracts are recorded to on the interest expenses line at the same pace that interests are accrued on the underlying debt, thus discharging the equity reserve. The outstanding amount of interest rate swaps (notional of \$350 million) expires between April and June, 2011 and Tenaris has already fixed the reference rate for the remaining period.

Tenaris estimates that, if market interest rates applicable to the hedged borrowings had been 100 basis point higher, then an additional pre-tax gain of \$2.4 million and \$10.1 million would have been recorded in 2010 and 2009, partially offsetting the losses to Tenaris's borrowings estimated above.

Tenaris estimates that the impact of a decrease of 100 basis points in the reference interest rates on the outstanding interest rate derivatives with all other variables held constant, would not have an impact in the equity reserve in 2010 as compared with an impact of \$3.3 million for 2009.

Tenaris exposure to interest risk associated with its debt is also mitigated by its investment portfolio. Tenaris estimates that, if interest rates on the benchmark rates for Tenaris portfolio had been 100 basis points higher, then the additional pre-tax gain would have been \$9.4 million in 2010 and \$12.5 million in 2009, helping offset the net losses to Tenaris's borrowing costs.

(iv) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Company actively monitors the creditworthiness of its treasury and derivative counterparties in order to minimize its credit risk.

There is no significant concentration of credit risk from customers. No single customer comprised more than 10% of Tenaris' net sales in 2010 and 2009.

Tenaris' credit policies related to sales of products and services are designed to identify customers with acceptable credit history, and to allow Tenaris to require the use of credit insurance, letters of credit and other instruments designed to minimize credit risks whenever deemed necessary. Tenaris maintains allowances for impairment for potential credit losses (See Section II J).

As of December 31, 2010 trade receivables amount to \$1,421.6 million. These trade receivables have guarantees under letter of credit and other bank guarantees of \$137.2 million, credit insurance of \$475.8 million and other guarantees of \$2.7 million.

As of December 31, 2010 trade receivables amounting to \$246.0 million were past due but not impaired. These relate to a number of customers for whom there is no recent history of default.

The amount of the allowance for doubtful accounts was \$20.8 million as of December 31, 2010. This allowance for doubtful accounts and the existing guarantees are sufficient to cover doubtful overdue trade receivables.

(v) Counterparty risk

Tenaris has investment guidelines with specific parameters to limit issuer risk on marketable securities. Counterparties for derivatives and cash transactions are limited to high credit quality financial institutions, normally investment grade.

More than 92.9% of Tenaris' liquid financial assets correspond to Investment Grade-rated instruments as of December 31, 2010, in comparison with more than 97.5% as of December 31, 2009.

A. Financial Risk Factors (Cont.)

(vi) Liquidity risk

Tenaris financing strategy aims to maintain adequate financial resources and access to additional liquidity. During 2010, Tenaris has counted on cash flows from operations as well as additional bank financing to fund its transactions.

Management maintains sufficient cash and marketable securities to finance normal operations and believes that Tenaris also has appropriate access to market for short-term working capital needs.

Tenaris has a conservative approach to the management of its liquidity, which consists of cash in banks, liquidity funds and short-term investments with a maturity of less than three months at the date of purchase.

Tenaris holds primarily investments in money market funds and variable or fixed-rate securities from investment grade issuers. Tenaris holds its cash and cash equivalents primarily in U.S. dollars. As of December 31, 2010 and 2009, U.S. dollar denominated liquid assets represented around 84% and 82% of total liquid financial assets respectively. Liquid financial assets as a whole (comprising cash and cash equivalents and other current investments) were 10.6% of total assets at the end of 2010 compared to 15.8% at the end of 2009.

B. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

December 31, 2010	Assets at fair value through profit and loss	Loans and receivables	Available for sale	Total
Assets as per statement of financial position				
Derivative financial instruments	31,537	-	-	31,537
Trade receivables	-	1,421,642	-	1,421,642
Other receivables	-	115,469	-	115,469
Available for sale assets	-	-	21,572	21,572
Other investments	719,816	-	-	719,816
Cash and cash equivalents	843,861	-	-	843,861
Total	1,595,214	1,537,111	21,572	3,153,897

December 31, 2010	Liabilities at fair value through profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Borrowings	-	1,244,496	1,244,496
Derivative financial instruments	11,972	-	11,972

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Trade and other payables (*)	-	852,678	852,678
Total	11,972	2,097,174	2,109,146

December 31, 2009	Assets at fair value through profit and loss	Loans and receivables	Available for sale	Total
Assets as per statement of financial position				
Derivative financial instruments	16,873	-	-	16,873
Trade receivables	-	1,310,302	-	1,310,302
Other receivables	-	102,348	-	102,348
Available for sale assets	-	-	21,572	21,572
Other investments	613,842	-	-	613,842
Cash and cash equivalents	1,542,829	-	-	1,542,829
Total	2,173,544	1,412,650	21,572	3,607,766

B. Financial instruments by category (Cont.)

	Liabilities at fair value through profit and loss	Other financial liabilities	Total
December 31, 2009			
Liabilities as per statement of financial position			
Borrowings	-	1,446,764	1,446,764
Derivative financial instruments	23,990	-	23,990
Trade and other payables (*)	-	596,897	596,897
Total	23,990	2,043,661	2,067,651

(*) The maturity of most of trade payables is of one year or less.

C. Fair value by hierarchy

Effective 1 January 2009, Tenaris adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the assets and liabilities that are measured at fair value at 31 December 2010 and 2009.

December 31, 2010	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	843,861	-	-	843,861
Other investments	540,298	163,347	16,171	719,816
Foreign exchange derivatives contracts	-	28,259	-	28,259
Embedded derivative (See Note 25)	-	-	3,278	3,278
Available for sale assets (**)	-	-	21,572	21,572
Total	1,384,159	191,606	41,021	1,616,786
Liabilities				
Foreign exchange derivatives contracts	-	6,613	-	6,613
Interest rate derivatives financial instruments	-	5,359	-	5,359
Total	-	11,972	-	11,972

December 31, 2009 Level 1