



Tenaris

Industrial & Automotive Services

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New Advertising Campaign for Tenaris

The new trademark with the multi-coloured bar symbol has already appeared in the specialised, international press. The initiative is part of a larger communications project to promote the new image. The graphical look of all publications of the Group has also been revamped.

Tenaris has launched a new, institutional advertising campaign to promote its new image and multi-coloured trademark in the global market. Now the focus is on encouraging diffusion among clients and in the main sectors of interest of the Group: industrial and automotive, oil, gas, pipelines, power generation, petrochemical. To this end, the Tenaris trademark is the centre of a new, global, institutional advertising campaign. The first phase, which has to be concluded in February 2002, aims at introducing

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More Service with Special Products

Growing volumes and continuous innovation, constantly in close contact with our customers. Lucas Rocha illustrates Tenaris' strategies for the European special products market.

Annual sales of Tenaris special products destined for the primary industrial sectors in Europe have now reached 150,000 tons.

Special products comprise pipes and pipe components for many different industrial sectors. These industrial sectors and their products are varied: the automotive sector, bearings, cold drawn pipes for the Construction Equipment Industry, pipes for Fitting

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Mario Galli

Progetto editoriale
Mozart SpA, via Stampa, 4 Milano

Redazione
P.zza Caduti 6 Luglio 1944, 1
24044 Dalmine (BG)

Stampa
Quadrifoglio S.p.A.
Azzano S. Paolo (BG)

www.tenaris.com



▲ The Tenaris ads will also appear in trade press publications in Canada, Mexico, Brazil, Venezuela, Argentina and Italy.

The Arcore Plant Starts up again in Record Time

On October 22nd, a little over three months since a tornado devastated the Dalmine plant in Arcore (Milan), the rolling-mill started up production again at full capacity. The reconstruction is expected to be completed by the beginning of next year.

It seemed an impossible feat: after the severe damage caused by the tornado on July 7th, workers feared the Dalmine plant in Arcore would remain shut for good. Instead, the rolling-mill started up production on October 22nd. And by the beginning of 2002, when everything is reconstructed, it will be the first Tenaris Group plant in the world with the new colours and new brand on the external facades. "Our priority is to start up production again as soon as possible", said **Paolo Rocca**, Chief Executive Officer Tenaris Group, in the aftermath of the tornado. And the confirmation to these words came only one month later: starting from August 22nd, and for the two subsequent weeks, the Arcore plant carried out an "open sky" rolling campaign, with a roofless warehouse and the reconstruction crews in full swing. Belonging to a world-wide group like Tenaris was a decisive factor both in deciding to rebuild the plant as well as in doing so in such a short time: in fact, the reconstruction is proceeding at a record pace, and realistic estimates indicate a total time of a little over 6 months. On the October 15th, the rolling-mill was put back into service and, since October 22nd, has been operating with three daily shifts. Finally,

the roofs that are still missing and the side walls should be rebuilt by the first few days of the next year. The new offices, on the other hand, will be ready a couple of weeks or so before.

Clients cannot wait

Reconstruction of the plant had two priorities: start-up of production and resumption of deliveries to clients. In fact, blockage of the Arcore plant would have risked stopping the production chain of

other factories, especially for clients who are supplied solely by Dalmine and for those who work with a just-in-time delivery system. The first step was to make the finished goods warehouse safe to work in and to use the material in stock at other warehouses and service centres to carry out the most urgent scheduled deliveries. The jobs that could be produced in other plants of the Group were removed from the order portfolio (a portion was transferred to the rolling-

mills in Siderca, Argentina), while the extraordinary rolling in August allowed the urgent orders that could only be produced by the Arcore plant to be filled. The entire sales department of Dalmine took an active part in guaranteeing close contact with clients, providing information and verifying their needs. In doing so, they encountered a spirit of willingness and collaboration that helped them survive the initial phases of emergency.



▲ A snapshot of the extraordinary rolling campaign carried out in the month of August.

Grand Opening of AlgomaTubes

Canadian company serves Oil and Gas, automotive and mechanical industries.

On June 19, the newly-named AlgomaTubes, Canada's sole producer of seamless steel tubes, celebrated its grand opening and the official launch of Tenaris in Canada. Local public officials, customers, union officials and employees attended the formal inauguration of AlgomaTubes seamless steel operations and its new positioning as the Canadian member of the Tenaris Group. The ribbon-cutting ceremony was hosted by Jorge Mitre, AlgomaTubes Managing Director.



AlgomaTubes serves the oil and gas, automotive and mechanical industries in Canada by delivering high-quality products and

◀ *From left to right, Tom Behanick, Commercial Director; John Rowsell, Mayor of Sault Ste. Marie; Carmen Provenzano, M.P.; and Jorge Mitre, Managing Director of AlgomaTubes.*

services on a just-in-time basis. The plant began operations in November 2000, after the signing of the final agreement by Tenaris to lease the seamless mill from Algoma Steel, Inc.



▲ *Jorge Mitre, Managing Director of AlgomaTubes, talking to the local press.*

The plant, located in Sault Ste. Marie, Ontario, currently employs over 190 people. The contribution to the local economy is reflected in AlgomaTubes' position in the top five private employers in the community. The contribution of AlgomaTubes to the Canadian market will be just as profound. As the leading seamless tube supplier to the Canadian oil and gas industry, AlgomaTubes ensures that there is a local manufacturer of the materials needed for the exploration and development of oil and gas in the most important oil and gas regions with the harshest conditions in Canada.

Green Protectors Mark Tenaris

Looking for a Tenaris tube? Look for the green protectors. In June, the first shipment of tubes with green protectors was sent to Venezuela.

Before May, red, orange and metallic-coloured protectors were seen on Tenaris shipments, stocks and mills. Today, 70 percent of tubes coming out of our mills have green protectors. In a few months, all Tenaris tubes will bear the new protectors. In second stage, a new design for protectors will be introduced, though the new green color will be maintained.

"This change was not easy. Some Tenaris companies had to develop machinery to produce these protectors, the precise color was hard to obtain for plastic materials, and plastic protectors cannot be used for some products," explained Pedro Minaudo, project coordinator. "But all the mills worked hard to implement the change and it has been made," he concluded.

In a few months, all Tenaris tubes will have green protectors, like the ones pictured here. ▶



Power Generation, an Increasingly Strategic Sector

Over 6,000 tons of narrow tubes for Enipower's 12 new power plants. This is an important job that Dalmine obtained thanks to its ability to supply tubes that are over 23 meters in length.

Tubes, 23.1 meters in length, produced for boilers. It's a record: never before had Dalmine manufactured tubes this long. The "credit" goes to the new job acquired by NECCT, the Italian-American joint venture that refers to the Marcegaglia group, for the construction of 12 new power plants in Italy on behalf of Enipower (Eni group). "But the credit - says Andrea Caronia, business manager of the Tenaris's Business Unit Process & Power Plant Services, - goes also, and particularly, to Dalmine's Small Diameters Factory, which has been completely renovated in 2000 and is able to manufacture tubes up to 24 meters in length. Thus, enabling us to satisfy the customer's planning condition. The shipment of the first lot of material, to the customer, ended during the month of August. Even the transport established a record, both in terms of rail transport (for which,

considering that the maximum length of a railroad car does not go beyond 18.5 meters, the load was "continued" on another car) and in terms of road transport (for which special means, equipped with telescopic extensions of the loading platform's length, were used and were escorted during the road trip).

The latest generation plants

This job, attained by Caronia's team along with Marco Innocenti, who was at the front line during all the phases of the international competition, is tied to the first large Italian energy network development project of the last 10 years. The generators supplied by Enipower will be among the most powerful ever installed in Italy. The tubes supplied by Dalmine will be needed for the construction of HRSG boilers, with combined cycles, which produce electricity combining kinetic energy



▲ Tubes for high temperature and petrochemical applications. Cooling beds.

from the turbocharged gas with thermal energy resulting from the steam produced by regenerating the fumes' heat caused by the combustion. This process reaches a thermal output of above 50%, with a 10-15% profit compared to the traditional energy production method that uses power boilers. "This job - states Caronia, - demonstrate how strategic the new Dalmine's Small diameters rolling mill

and its new "Quality line" are, allowing us to be at the front line in the new energy production markets. This sector will become increasingly important due to the energy deficits undergone by the industrialized nations and by the developing nations." During the next few years, 207 profit-yielding units are expected in Italy, with an overall voltage of over 64 thousand megawatts.

New Advertising Campaign for Tenaris

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the new trademark and the new image of the Group's companies. Announcements will appear in the specialised, international press, as well as in trade publications distributed in countries where the Group's companies are located: Argentina, Brazil, Canada, Japan, Italy, Mexico and Venezuela.

At the same time, a large project is being implemented to renew the graphics of all institutional and marketing

communication tools (from web sites to brochures), which will be streamlined with the new common image. As with other Tenaris newsletters of the sector (Pipeline Services, Oilfield Services and Process & Power Plant Services), "Tenaris News Industrial & Automotive Services" will also greet its readers with a new, completely renovated style whose image revolves around the colours of the new trademark.

More Service with Special Products

Quantity increases and continuous innovation, always in close contact with clients. Lucas Rocha describes the Tenaris strategies for the European market of special products.

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manufacturers and for Heat Exchangers, Railway poles, tubes for the construction of High Pressure Vessels for NG vehicles, scuba diving and industrial gases. These products are designed in accordance with technical specifications developed in collaboration with the customers and are manufactured at Tenaris plants in Italy (Dalmine, Costa Volpino and Arcore), in Argentina (Siderca) and in Mexico (Tamsa). The "Special Product Sales" division, run by Lucas Rocha, is responsible for marketing the products and is part of the Europe Business Unit, led by Giorgio Frigerio. "This sector is becoming strategic for Tenaris," says Rocha, (31 years old, engineer, in the group since 1993), "both because the volumes involved are considerable, and because it's precisely this field, governed by the logic of flexibility,



▲ *Tenaris airbag components ready to be shipped. The pieces of each lot, delivered according to a "just-in-time" system, are packed in reusable containers for greater protection.*

of readiness to respond, of the ability to innovate products and services, in which we are capable of meeting customers needs and establishing a closer and long-lasting relationship with them". Today the creation and supply of each new component requires close collaboration between Rocha's commercial structure and the team led by Mario Rossi, R&D Manager, as the development of products jointly with customers, the setting up of delivery systems and connected services have now become inseparable elements, especially as regards effective competition in the automotive sector. Rocha says, "We have

to provide our customers with excellent products in terms of technology, products that are supported by efficient logistics services at competitive prices. We must be able to offer our customers added value that is both concrete and measurable".



▲ *Lucas Rocha*

What kind of parts does Tenaris provide to the automotive sector?

Our products are used in the construction of inflators for air bags, constant velocity joint cages, gear box synchronizers, semi axles, steering system arms and stabilizer bars. Unwelded cold drawn pipes with top mechanical features are used for these applications as they have the added advantage of increased lightness and better balance, as well as the better processing quality of steel compared to traditional parts.

Logistics in the automotive sector is one of the most critical aspects. How is Tenaris organized for this aspect?

"This field calls for flexibility, creativity and short response times. Tenaris, for instance, manufactures pipe components for air bag inflators destined to major European car makers such as PSA, Renault-Nissan, Mercedes, BMW, VW and Fiat-GM, particularly demanding customers, who, in some cases, require up to four deliveries every business day. In order to ensure this kind of performance, we have created a service center dedicated exclusively to the automotive sector in our Costa Volpino plant. This center manufactures and supplies the components respecting just-in-time delivery schedules required by customers and continuously updating them. In 2001, we delivered 5,000,000 air bag inflator parts, 2,500,000 semi axle parts and 1,000,000 constant velocity joint cage parts".

Tamsa, Focus on Automotive Market

Tenaris delivers first shipment from new auto-components factory in Mexico.

On October 26th Tenaris made the first shipment from its brand new Auto-Components Factory located in Tamsa, a Tenaris tubular steel mill located in Veracruz on the Gulf of Mexico. Tamsa delivered 30,000 steel parts for airbag inflators to Autoliv in Brigham City, Utah, USA. The parts will be used in side impact airbag modules for a variety of car models. The 30mm OD tubing with 2.50mm wall thickness was manufactured in Tamsa's sister plant, Siderca, in Argentina, and Tamsa's components facility performed the cutting, end swaging, dimpling, drilling and reaming operations. Autoliv and Tenaris recently signed

a frame agreement to supply over 1.5 million parts per year. The new auto-components facility at Tamsa can perform machining operations such as turning, drilling, punching, dimpling, and reaming etc. but plans are being made to further expand these features. Within 4 months the facility will have doubled in capacity and will serve as an excellent platform for Tenaris to supply US and Mexican-based autoparts and car manufacturers with value added tubular products. Tamsa aims to be producing a total of approximately 10 million parts per annum from 2002 onwards for a number of automotive customers.

Tubes for Front-Wheel Drive Shafts for Motor Vehicles

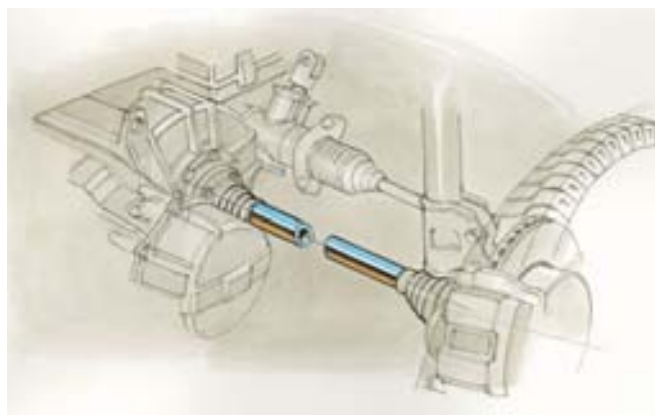
Dalmine's expertise in the supply of tube components is opening new doors for Tenaris on the car parts market.

The Costa Volpino plant has, for some years now, supplied a tube component destined to the construction of semi-propeller shafts for cars. The traditional drawn tube is cut depending on design, phosphatized on the external surface and carefully packaged in metal cases provided by the customer who receives the product ready for production at its factory. "For three years now," explains Michele Formentelli, Quality Guarantee Manager of Dalmine Tube Components, "we have been supplying, with a weekly delivery schedule, French SNT (Société Nouvelle de Transmission) and NTN Transmission Europe plants that build transmission systems for major European car makers (namely, Renault, Peugeot, Citroën)".

The front-wheel drive shaft, along with the constant velocity joint cage, links the differential gear to each driving gear. Traditionally, this component was manufactured with a solid bar, but the use of drawn tubes has become more widespread over the last few years, as it allows the total weight of the transmission group to be reduced, with consequent advantages in terms of performance and of reduction of vehicle fuel consumption.

"The tube component," adds Formentelli, "offers further benefits. Through strict control of radial runout and straightness, we are able to provide our customers with a product that guarantees reduced vibrations while running, consequently improving the comfort and soundproof quality of the vehicle". At the initial supply stage, upon customer's request, the Costa Volpino factory was subjected to a specific evaluation survey, which permitted to obtain the EAQF Certification (French standards in the automotive sector).

This certification was found to be even more important subsequently, as it enabled to increase internal expertise,



▲ The drawing shows a detail of the front-wheel drive shaft that links the differential gear to the driving gear

useful for the rapid attainment of QS9000 certification, indispensable for companies that supply car parts.

The component for front-wheel drive shafts thus marked the beginning of an expansion phase of the range of Tenaris tube products for the automotive sector manufactured at the Costa Volpino plant, which now includes parts for axle wishbones, constant velocity joint cages, air bags inflators, steering columns and track rods, stabilizer bars, drive shafts and Visco drives. "The Tenaris strategy in the automotive sector," explains Danilo Pagni, Manager of the Dalmine Pipe Components Division, "is that of adding ever more service content to our products as well as developing innovative products capable of making our customers' production processes even more efficient and affordable. To this end, we are carrying out further samples and standardization tests, including evaluation surveys with other leading European car makers".



For additional details and technical information on this product, please contact Michele Formentelli, head of Quality Assurance for Tubular Components at Dalmine e-mail: dalmfo@dalmine.it

Tamsa, a Headquarters for the Future

A modern building where Mexican style is blended with the latest trends of international architecture.



Tamsa is changing headquarters. A change that will be the first step towards new developments, and which seems to be a logical result after the Company's change of image, tied to the creation of the Tenaris trademark.

▼ *The Tamsa's headquarters new building*



The new building, located in Veracruz, was inaugurated on December 6th. Designed by architects Giuseppe Caruso and Agata Torricella, is a perfect combination of Mexican and international styles, in line with the new Group identity, in which there is a coexistence of global and local perspectives, cutting edge technologies, added value services, the Mexican culture of the local employees and the international cultures of personnel coming from abroad. The new headquarters, spanning 10,000 m², is equipped with the most advanced security and environmental control systems, and its practical nature is essential for Tamsa's communication and operational needs.



Tenaris Takes

NKKTubes Celebrates First Anniversary

On August 7, NKKTubes celebrated its first anniversary. Company Chairman Carlos San Martín and Managing Director Yuzo Matsushita also used the opportunity to formally unveil the new Tenaris brand name. Mr. Matsushita said, "we had a good start although we had many start-up difficulties. Helped by the strong demand for high quality products such as 13 Cr, we ended our first year in line with the business plan." "Our objective is to increase and stabilize production at 21 or 22 thousand tons a month, and, hopefully, reach profit levels of one billion yen or higher for the coming fiscal year," he continued. The Managing Director added: "We have succeeded in establishing a good working environment where everyone contributes with his or her input towards solving problems under the strong leadership of Chairman San Martín." Mr. San Martín explained the reasons for adopting the new brand name and the concept behind the multi-bar symbol. The celebration included Kagamibiraki, a Japanese ritual for celebrating a special occasion, which consists of breaking a Sake barrel with large hammers and toasting to the company's future success.

TenarisNetwork Service Centers Qualify according to ISO 9002

TYP Argentina, Chile and Dubai TenarisNetwork service centers have been recently certified ISO 9002 by Lloyd's Register Quality Assurance and are now included in the Tenaris Global Quality Management System.

This certification is part of a group-wide initiative to certify all TenarisNetwork service centers and manufacturing mills and make quality standards uniform. Accordingly, all Tenaris companies will be initially audited, certified and then continuously monitored by the above single third party. In this way, Tenaris will operate a fully integrated and accurate management system, from purchase order receipt through final delivery. Customers can rely on the same high standards throughout Tenaris experience.

On-line with Tenaris.com

Our website, www.tenaris.com, has been designed to allow customers to obtain information about Tenaris, including business and commercial contacts, quickly and easily. Users can find what they need with just a few clicks. The site also includes institutional information, news and press releases. The website design forms part of a complete visual system that will be used in all our global and local business websites as well as in annual reports, newsletters, house organs, signs, merchandising, etc. To access a portal for a specific Tenaris business unit, click on its link, which appears on the home page. Links to each of Tenaris's eight local mills provide quick access to information that is useful to investors and customers who need to know more about our production facilities.

▲ The Tenaris.com home page links users to the TenarisNetwork, our global network of service centers.

TenarisNetwork

Industrial & Automotive Services Headquarters

EUROPE
Dalmine
+39 035 560 111 tel
+39 035 560 3827 fax

NORTH AMERICA
Houston
+1 713 767 4400 tel
+1 713 767 4444 fax

e-mail: industrialauto@tenaris.com

ARGENTINA
Campana
+54 3489 433100 tel
+54 3489 433877 fax

CHILE
Santiago de Chile
+56 2 633 3314 tel
+56 2 639 6450 fax

JAPAN
Kanto
+81 44 328 0341 tel
+81 44 328-0343 fax

SINGAPORE
Singapore
+65 224 9077 tel
+65 222 4090 fax

AZERBAIJAN
Baku
+994 12 921411 tel
+994 12 971023 fax

CHINA
Beijing
+86 10 6437 6744 tel
+86 10 6437 6746 fax

MALAYSIA
Kuala Lumpur
+603 21648115 tel
+603 21648117 fax

UAE
Dubai
+971 4 2725 394 tel
+971 4 2725 392 fax

BOLIVIA
Santa Cruz de la Sierra
+591 92 32 779 tel
+591 92 32 775 fax

ECUADOR
Quito
+593 2 222 5959 tel
+593 2 222 5966 fax

MEXICO
Veracruz
+52 2 989 1100 tel
+52 2 989 1120 fax

UK
Rugby, Aberdeen & London
+44 1788 860 621 tel
+44 1788 861 012 fax

BRAZIL
São Paulo
+55 12 244 9100 tel
+55 12 244 9027 fax

FRANCE
Paris
+33 1 4757 1212 tel
+33 1 4757 1081 fax

NIGERIA
Port Harcourt
+234 84 610299 tel
+234 84 611859 fax

VENEZUELA
Caracas
+58 212 902 3939 tel
+58 212 902 3937 fax

CANADA
Calgary
+1 403 290 0602 tel
+1 403 290 0619 fax

GUATEMALA
Guatemala
+50 2 335 3387 tel
+50 2 335 3593 fax

NORWAY
Stavanger
+47 51 44 3440 tel
+47 51 44 3441 fax

COLOMBIA
Bogota
+57 1 636 2920 tel
+57 1 623 4780 fax

INDONESIA
Jakarta
+62 21 522 5357 tel
+62 21 522 5359 fax

RUSSIA
Moscow
+7 95 937 7713 tel
+7 95 229 4611 fax