

Edgar Filing: TENARIS SA - Form 6-K

TENARIS SA  
Form 6-K  
August 04, 2006

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 August 4, 2006

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

TENARIS, S.A.  
46a, Avenue John F. Kennedy  
L-1855 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's press release announcing  
its 2006 Second Quarter Results.

Tenaris Announces 2006 Second Quarter Results

## Edgar Filing: TENARIS SA - Form 6-K

LUXEMBOURG--(BUSINESS WIRE)--Aug. 3, 2006--The financial and operational information contained in this press release is based on consolidated condensed interim financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and presented in U.S. dollars.

Tenaris S.A. (NYSE:TS) (BCBA:TS) (BMV:TS) (BI:TEN) ("Tenaris") today announced its results for the second quarter ended June 30, 2006 with comparison to its results for the second quarter ended June 30, 2005.

### Summary of 2006 Second Quarter Results

(Comparison with first quarter of 2006 and second quarter of 2005)

|   | Q2 2006 | Q1 2006 |     | Q2 2005 |     |
|---|---------|---------|-----|---------|-----|
| Net sales (US\$ million)                | 1,962.3 | 1,783.2 | 10% | 1,744.3 | 12% |
| Operating income (US\$ million)         | 692.8   | 600.9   | 15% | 490.6   | 41% |
| Net income (US\$ million) (1)           | 495.8   | 441.7   | 12% | 341.6   | 45% |
| Shareholders' net income (US\$ million) | 471.8   | 419.7   | 12% | 313.5   | 51% |
| Earnings per ADS (US\$) (2)             | 0.80    | 0.71    | 12% | 0.53    | 51% |
| Earnings per share (US\$)               | 0.40    | 0.36    | 12% | 0.27    | 51% |
| EBITDA (US\$ million)                   | 747.9   | 655.6   | 14% | 542.4   | 38% |
| EBITDA margin (% of net sales)          | 38%     | 37%     |     | 31%     |     |

- (1) As required by IAS 1 (revised) as from January 1, 2005 the income for the period disclosed in the income statement does not show minority interest. Earnings per share continue to be calculated on the net income attributable solely to the equity holders of Tenaris.
- (2) As of April 26, 2006, the ratio of ADSs to ordinary shares was changed from 1:10 to 1:2. Earnings per ADS are stated using the new ratio.

Our results continue to benefit from strong global demand from the energy industry for our OCTG and other seamless pipe products. Seamless pipe shipments and production were at record highs and reflected incremental improvements in our industrial and supply chain management performance. Higher sales to the Middle East and Africa, which represented 27% of our total seamless pipe sales by volume during the quarter, compensated for lower sales in North America and reflected our strong global positioning as well as the strength of oil and gas investment activity in the region. Net sales, operating income and EBITDA all increased to record levels. Net cash provided by operations, following the payment of income taxes and an increase in working capital associated with higher net sales, was US\$170.0 million and our net cash position declined following the payment of a dividend and an increase in capital expenditure.

### Market Background and Outlook

Oil and gas companies continue to increase their exploration and production spending in response to sustained high oil and gas prices, declining production at mature fields and projected increases in global demand for oil and gas. This is resulting in increased drilling activity and demand for our seamless OCTG products. The international count of active drilling rigs, as published by Baker Hughes excluding, for comparative purposes, the rig count in Iran and Sudan, averaged 913 during the second quarter of 2006, an increase of 6% compared to

## Edgar Filing: TENARIS SA - Form 6-K

the same quarter of the previous year and an increase of 2% compared to the first quarter. The corresponding percentage year on year quarterly rig count increases in the Canadian and U.S. markets, which are more sensitive to natural gas prices, were 17% and 22% respectively.

Favorable market conditions, including relatively stable prices for our raw materials, and strong demand for our high-end seamless pipe products are helping us to record year on year sales growth and improvements in gross margins for our seamless pipe products. We expect these favorable market conditions to continue throughout the remainder of the year.

Demand for our welded pipe products, however, is being affected by delays to gas pipeline projects in Brazil and Argentina. During the second quarter we increased sales to export projects but we expect that demand for our welded pipe products in Brazil and Argentina will continue to be affected by delays to major gas pipeline projects.

### Agreement to Acquire Maverick

On June 12, 2006, we entered into a merger agreement pursuant to which we will acquire Maverick Tube Corporation, a leading North American producer of welded OCTG, line pipe and coiled tubing for use in oil and natural gas wells. Maverick has manufacturing facilities in the United States, Canada and Colombia and, in 2005, shipped approximately 1.3 million short tons of welded pipes. The transaction is valued at US\$3,185 million, including Maverick's net debt, based on the assumption that the holders of Maverick's convertible notes elect to exercise their conversion rights pursuant to their applicable terms and conditions. We expect to finance the Maverick acquisition mainly through debt and have secured commitments to borrow up to US\$2.7 billion.

The transaction has recently received clearances from the Canadian and U.S. competition authorities. Closing, however, remains subject to certain other regulatory approvals, majority approval of Maverick's shareholders and other customary conditions and is expected to occur around the beginning of the fourth quarter.

### Analysis of 2006 Second Quarter Results (metric tons)

| Sales volume         | Q2 2006 | Q2 2005 | Increase/(Decrease) |
|----------------------|---------|---------|---------------------|
| North America        | 184,000 | 233,000 | (21%)               |
| Europe               | 188,000 | 165,000 | 14%                 |
| Middle East & Africa | 210,000 | 127,000 | 65%                 |
| Far East & Oceania   | 80,000  | 99,000  | (19%)               |
| South America        | 103,000 | 124,000 | (17%)               |
| Total seamless pipes | 765,000 | 747,000 | 2%                  |
| Welded pipes         | 82,000  | 158,000 | (48%)               |
| Total steel pipes    | 847,000 | 905,000 | (6%)                |

Sales volume of seamless pipes increased by 2% to 765,000 tons in the second quarter of 2006 from 747,000 tons in the same period of 2005. We recorded a substantial increase in sales volume in the Middle East and Africa reflecting high demand for our OCTG products, as well as increased sales of our line pipe products for flowlines and oil and gas processing plants, in the region. Sales in North America were affected primarily by lower drilling activity in Mexico and lower sales of line pipe in the USA and Canada. Sales in Europe increased due to higher sales of line pipe products to process and power plant customers.

Sales volumes of welded pipes decreased by 48% to 82,000 tons in

## Edgar Filing: TENARIS SA - Form 6-K

the second quarter of 2006 from 158,000 tons in the same period of 2005. The decrease in sales was due to substantially reduced demand for welded pipes for gas pipeline projects in Brazil and Argentina.

(US\$ million)

| Net sales       | Q2 2006 | Q2 2005 | Increase/(Decrease) |
|-----------------|---------|---------|---------------------|
| Seamless pipes  | 1,636.9 | 1,307.9 | 25%                 |
| Welded pipes(a) | 130.3   | 255.4   | (49%)               |
| Energy          | 122.2   | 112.2   | 9%                  |
| Others          | 72.9    | 68.8    | 6%                  |
| Total           | 1,962.3 | 1,744.3 | 12%                 |

(a) Includes other metallic products produced by Confab, our Brazilian welded pipe subsidiary

Net sales in the quarter ended June 30, 2006 increased 12% to US\$1,962.3 million, compared to US\$1,744.3 million in the corresponding quarter of 2005. Net sales of seamless pipes rose by 25%, due primarily to higher sales of high-end products and higher selling prices for most of our products. Net sales of welded pipes, which included US\$13 million in sales of other metallic products in the second quarter of 2006 and US\$12 million of such sales in the second quarter of 2005, fell by 49% due primarily to the decline in sales volume. Net sales of energy rose by 9% due to higher Italian gas and electric energy prices.

(percentage of net sales)

| Cost of sales  | Q2 2006 | Q2 2005 |
|----------------|---------|---------|
| Seamless pipes | 46%     | 55%     |
| Welded pipes   | 76%     | 67%     |
| Energy         | 96%     | 99%     |
| Others         | 74%     | 61%     |
| Total          | 52%     | 60%     |

Cost of sales, expressed as a percentage of net sales, decreased to 52% in the second quarter of 2006, compared to 60% in the same period of 2005 reflecting higher gross margins on our sales of seamless pipe products and a higher proportion of seamless pipe sales in total sales. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 46% in the second quarter of 2006 compared to 55% in the same period of 2005 reflecting a higher proportion of higher-margin, high-end products in the product mix and higher selling prices for most of our products.

Selling, general and administrative expenses, or SG&A, increased as a percentage of net sales to 12.7% in the quarter ended June 30, 2006 compared to 12.2% in the corresponding quarter of 2005 due primarily to higher commissions, freight and other selling expenses reflecting higher export sales of welded pipes and higher labor costs.

Net financial income was US\$4.1 million in the second quarter of 2006, compared to a net financial expense of US\$42.6 million in the same period of 2005. Net interest expense was US\$1.2 million in the second quarter of 2006 compared to US\$11.5 million in the same period of 2005, primarily reflecting changes in our net debt position. A gain of US\$6.2 million on net foreign exchange transactions and the changes in fair value of derivative instruments was recorded in the second quarter of 2006, compared to a loss of US\$32.7 million during the second quarter of 2005. These gains and losses on net foreign exchange transactions and the changes in fair value of derivative instruments

## Edgar Filing: TENARIS SA - Form 6-K

are to a large extent offset by changes to our net equity position and arise due to the fact that many of our subsidiaries prepare their financial statements in currencies other than the US dollar in accordance with IFRS.

Equity in earnings of associated companies generated a gain of US\$25.6 million in the second quarter of 2006, compared to a gain of US\$38.3 million in the second quarter of 2005. The gain in the second quarter of 2006 was derived mainly from our 11.5% equity shareholding in Ternium and the gain in the second quarter of 2005 was derived mainly from our prior investment in Sidor.

Income tax charges totalled US\$226.7 million in the second quarter of 2006, equivalent to 33% of income before equity in earnings of associated companies and income tax.

Income attributable to minority interest decreased to US\$24.0 million in the second quarter of 2006, compared to US\$28.2 million in the corresponding quarter of 2005 reflecting weaker operating and financial results at our Confab subsidiary, which was partially offset by an improvement in operating and financial results at our NKK Tubes subsidiary.

### Cash Flow and Liquidity

Net cash provided by operations during the second quarter of 2006 was US\$170.0 million. Income tax payments during the quarter exceeded accruals by US\$173.6 million as we paid a substantial proportion of our annual income taxes during the quarter. Working capital increased by US\$195.3 million during the second quarter. Trade receivables increased by US\$168.5 million and trade payables by US\$78.0 million as quarterly net sales increased. Inventories increased by US\$59.1 million and customer advances declined by US\$32.5 million.

Capital expenditures increased to US\$99.6 million for the second quarter of 2006 compared to US\$84.3 million in the second quarter of 2005 and are expected to remain higher than last year's levels in the second half as we implement our program to increase capacity for high-end products.

Tenaris became net cash positive during the first quarter of 2006 but this net cash position was reduced during the second quarter as net cash provided by operations was used to fund capital expenditures and pay an end of year dividend. Our net cash position (cash and cash equivalents and other current investments less borrowings) was US\$82.2 million at June 30, 2006 compared to net debt of US\$183.0 million at December 31, 2005. Total financial debt was US\$990.4 million at June 30, 2006, a slight decrease from US\$1,010.3 million at December 31, 2005.

### Analysis of 2006 First Half Results

Net income attributable to equity holders in the company during the first half of 2006 was US\$891.5 million, or US\$0.76 per share (US\$1.51 per ADS), or 24% of net sales, which compares with net income attributable to equity holders in the company during the first half of 2005 of US\$577.7 million, or US\$0.49 per share (US\$0.98 per ADS), or 18% of net sales. Operating income was US\$1,293.7 million, or 35% of net sales, compared to US\$896.3 million, or 28% of net sales. Operating income plus depreciation and amortization was US\$1,403.5 million, or 37% of net sales, compared to US\$1,000.0 million, or 31% of net sales.

(metric tons)

| Sales volume | H1 2006 | H1 2005 | Increase/(Decrease) |
|--------------|---------|---------|---------------------|
|--------------|---------|---------|---------------------|

## Edgar Filing: TENARIS SA - Form 6-K

|                      |           |           |       |
|----------------------|-----------|-----------|-------|
| North America        | 385,000   | 453,000   | (15%) |
| Europe               | 373,000   | 344,000   | 8%    |
| Middle East & Africa | 359,000   | 228,000   | 57%   |
| Far East & Oceania   | 162,000   | 200,000   | (19%) |
| South America        | 201,000   | 225,000   | (11%) |
| Total seamless pipes | 1,480,000 | 1,449,000 | 2%    |
| Welded pipes         | 147,000   | 267,000   | (45%) |
| Total steel pipes    | 1,627,000 | 1,717,000 | (5%)  |

(US\$ million)

| Net sales       | H1 2006 | H1 2005 | Increase/(Decrease) |
|-----------------|---------|---------|---------------------|
| Seamless pipes  | 3,077.9 | 2,413.1 | 28%                 |
| Welded pipes(a) | 244.9   | 415.9   | (41%)               |
| Energy          | 283.8   | 256.2   | 11%                 |
| Others          | 138.8   | 112.1   | 24%                 |
| Total           | 3,745.4 | 3,197.2 | 17%                 |

(a) Includes other metallic products produced by Confab, our Brazilian welded pipe subsidiary

Net sales in the six months ended June 30, 2006 increased 17% to US\$3,745.4 million, compared to US\$3,197.2 million in the corresponding six months of 2005. Net sales of seamless pipes rose by 28%, due primarily to higher sales of high-end products and higher selling prices for all products. Net sales of welded pipes, which included US\$24 million of other metallic products in the first half of 2006 and US\$29 million of such sales in the first half of 2005, fell by 41% due to the decline in sales for gas pipeline projects in Brazil and Argentina. Net sales of energy rose by 11% due to higher Italian gas and electric energy prices.

(percentage of net sales)

|                | H1 2006 | H1 2005 |
|----------------|---------|---------|
| Cost of sales  |         |         |
| Seamless pipes | 47%     | 55%     |
| Welded pipes   | 71%     | 66%     |
| Energy         | 96%     | 97%     |
| Others         | 73%     | 59%     |
| Total          | 53%     | 60%     |

Cost of sales, expressed as a percentage of net sales, decreased to 53% in the first half of 2006, compared to 60% in the same period of 2005 reflecting higher gross margins on our sales of seamless pipe products and a higher proportion of seamless pipe sales in total sales. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 47% in the first half of 2006 compared to 55% in the same period of 2005 reflecting a higher proportion of higher-margin, high-end products in the product mix and higher selling prices for our products.

Selling, general and administrative expenses, or SG&A, remained stable as a percentage of net sales at 12.5% in the six months ended June 30, 2006 compared to 12.4% in the corresponding six months of 2005.

Net financial income was US\$14.7 million in the first half of 2006, compared to a net financial expense of US\$84.5 million in the same period of 2005. Net interest expense was US\$0.6 million in the first half of 2006 compared to US\$21.0 million in the same period of 2005, primarily reflecting changes in the net debt position. A gain of US\$15.0 million on net foreign exchange transactions and the changes

## Edgar Filing: TENARIS SA - Form 6-K

in fair value of derivative instruments was recorded in the first half of 2006, compared to a loss of US\$66.6 million during the first half of 2005. These gains and losses on net foreign exchange transactions and the changes in fair value of derivative instruments are to a large extent offset by changes to our net equity position and arise due to the fact that many of our subsidiaries prepare their financial statements in currencies other than the US dollar in accordance with IFRS.

Equity in earnings of associated companies generated a gain of US\$47.1 million in the first half of 2006, compared to a gain of US\$68.4 million in the first half of 2005. The gain in the first half of 2006 was derived mainly from our 11.5% equity shareholding in Ternium and the gain in the first half of 2005 was derived mainly from our prior investment in Sidor.

Income tax charges totalled US\$418.0 million in the first half of 2006, equivalent to 32% of income before equity in earnings of associated companies and income tax.

Income attributable to minority interest was US\$46.0 million in the first half of 2006, compared to US\$43.9 million in the first half of 2005 as better operating and financial results at our NKKTubes subsidiary were largely offset by weaker operating and financial results at our Confab subsidiary.

Some of the statements contained in this press release are "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. These risks include but are not limited to risks arising from uncertainties as to future oil and gas prices and their impact on investment programs by oil and gas companies.

### Consolidated condensed interim income statement

|  | Three-month period<br>ended June 30, |             | Six-month period<br>ended June 30, |             |
|--|--------------------------------------|-------------|------------------------------------|-------------|
| (all amounts in<br>thousands of U.S.<br>dollars)                                 | 2006                                 | 2005        | 2006                               | 2005        |
|  | -----                                |             |                                    |             |
|  | (Unaudited)                          |             |                                    |             |
| Net sales  | 1,962,265                            | 1,744,311   | 3,745,417                          | 3,197,238   |
| Cost of sales  | (1,019,036)                          | (1,043,774) | (1,991,528)                        | (1,908,902) |
|  | -----                                |             |                                    |             |
| Gross profit   | 943,229                              | 700,537     | 1,753,889                          | 1,288,336   |
| Selling, general and<br>administrative<br>expenses                               | (248,492)                            | (212,510)   | (466,376)                          | (397,593)   |
| Other operating<br>income (expenses),<br>net                                     | (1,939)                              | 2,602       | 6,191                              | 5,569       |
|  | -----                                |             |                                    |             |
| Operating income   | 692,798                              | 490,629     | 1,293,704                          | 896,312     |
| Financial income<br>(expenses), net  | 4,065                                | (42,643)    | 14,661                             | (84,450)    |
|  | -----                                |             |                                    |             |
| Income before equity<br>in earnings of<br>associated companies<br>and income tax | 696,863                              | 447,986     | 1,308,365                          | 811,862     |
| Equity in earnings of  |                                      |             |                                    |             |

Edgar Filing: TENARIS SA - Form 6-K

|                               |           |           |           |           |
|-------------------------------|-----------|-----------|-----------|-----------|
| associated companies          | 25,551    | 38,279    | 47,072    | 68,442    |
| Income before income tax      | 722,414   | 486,265   | 1,355,437 | 880,304   |
| Income tax                    | (226,650) | (144,645) | (417,983) | (258,714) |
| Income for the period         | 495,764   | 341,620   | 937,454   | 621,590   |
| Attributable to:              |           |           |           |           |
| Equity holders of the Company | 471,771   | 313,456   | 891,459   | 577,690   |
| Minority interest             | 23,993    | 28,164    | 45,995    | 43,900    |
|                               | 495,764   | 341,620   | 937,454   | 621,590   |

Consolidated condensed interim balance sheet

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

|   | At June 30, 2006 | At December 31, 2005 |
|---|------------------|----------------------|
|   | (Unaudited)      |                      |
| <b>ASSETS</b>   |                  |                      |
| Non-current assets  |                  |                      |
| Property, plant and equipment, net                                | 2,319,381        | 2,230,038            |
| Intangible assets, net  | 164,993          | 159,099              |
| Investments in associated companies                               | 355,652          | 257,234              |
| Other investments   | 25,711           | 25,647               |
| Deferred tax assets   | 213,715          | 194,874              |
| Receivables   | 27,706           | 65,852               |
|   | 3,107,158        | 2,932,744            |
| Current assets  |                  |                      |
| Inventories   | 1,550,704        | 1,376,113            |
| Receivables and prepayments                                       | 182,332          | 143,282              |
| Current tax assets  | 127,163          | 102,455              |
| Trade receivables   | 1,458,265        | 1,324,171            |
| Other investments   | 296,437          | 119,907              |
| Cash and cash equivalents   | 776,146          | 707,356              |
|   | 4,391,047        | 3,773,284            |
| Total assets  | 7,498,205        | 6,706,028            |
| <b>EQUITY</b>   |                  |                      |
| Capital and reserves attributable to the Company's equity holders |                  |                      |
| Share capital   | 1,180,537        | 1,180,537            |
| Legal reserves  | 118,054          | 118,054              |
| Share premium   | 609,733          | 609,733              |
| Currency translation adjustments                                  | (62,218)         | (59,743)             |
| Other reserves  | 29,331           | 2,718                |
| Retained earnings   | 2,343,729        | 1,656,503            |
|   | 4,219,166        | 3,507,802            |



Edgar Filing: TENARIS SA - Form 6-K

|                   |           |           |
|-------------------|-----------|-----------|
| Minority interest | 304,525   | 268,071   |
| Total equity      | 4,523,691 | 3,775,873 |

LIABILITIES

|                              |           |           |           |
|------------------------------|-----------|-----------|-----------|
| Non-current liabilities      |           |           |           |
| Borrowings                   | 584,962   | 678,112   |           |
| Deferred tax liabilities     | 354,716   | 353,395   |           |
| Other liabilities            | 159,661   | 154,378   |           |
| Provisions                   | 48,464    | 43,964    |           |
| Trade payables               | 703       | 1,148,506 | 1,231,054 |
|                              |           |           |           |
| Current liabilities          |           |           |           |
| Borrowings                   | 405,389   | 332,180   |           |
| Current tax liabilities      | 345,605   | 452,534   |           |
| Other liabilities            | 178,955   | 138,875   |           |
| Provisions                   | 37,976    | 36,945    |           |
| Customer advances            | 96,753    | 113,243   |           |
| Trade payables               | 761,330   | 1,826,008 | 1,699,101 |
|                              |           |           |           |
| Total liabilities            | 2,974,514 |           | 2,930,155 |
|                              |           |           |           |
| Total equity and liabilities | 7,498,205 |           | 6,706,028 |

Consolidated condensed interim cash flow statement

|  | Three-month period ended June 30, |           | Six-month period ended June 30, |           |
|--|-----------------------------------|-----------|---------------------------------|-----------|
|  | 2006                              | 2005      | 2006                            | 2005      |
| (all amounts in thousands of U.S. dollars)                     |                                   |           |                                 |           |
|  | (Unaudited)                       |           |                                 |           |
| Cash flows from operating activities                           |                                   |           |                                 |           |
| Income for the period  | 495,764                           | 341,620   | 937,454                         | 621,590   |
| Adjustments for:   |                                   |           |                                 |           |
| Depreciation and amortization                                  | 55,115                            | 51,766    | 109,790                         | 103,743   |
| Income tax accruals less payments                              | (173,618)                         | (1,722)   | (90,160)                        | 35,756    |
| Equity in earnings of associated companies                     | (25,551)                          | (38,279)  | (47,072)                        | (68,442)  |
| Interest accruals less payments, net                           | (6,756)                           | 3,866     | (1,464)                         | 6,210     |
| Income from disposal of Investment                             | -                                 | -         | (6,933)                         | -         |
| Changes in provisions  | 4,800                             | 1,649     | 5,531                           | (2,636)   |
| Proceeds from Fintecna arbitration award net of BHP settlement | -                                 | -         | -                               | 66,594    |
| Changes in working capital                                     | (195,284)                         | (124,228) | (219,541)                       | (334,106) |
| Other, including currency translation adjustment               | 15,525                            | 28,323    | 26,472                          | 16,979    |

Edgar Filing: TENARIS SA - Form 6-K

|   |           |           |             |           |
|---|-----------|-----------|-------------|-----------|
| Net cash provided by operating activities                                     | 169,995   | 262,995   | 714,077     | 445,688   |
| Cash flows from investing activities  |           |           |             |           |
| Capital expenditures  | (99,572)  | (84,318)  | (169,101)   | (131,634) |
| Acquisitions of subsidiaries  | (9,301)   | (47,892)  | (39,110)    | (47,930)  |
| Proceeds from disposal of property, plant and equipment and intangible assets | 1,568     | 1,448     | 3,388       | 2,890     |
| Dividends and distributions received from associated companies                | -         | 21,598    | -           | 41,118    |
| Changes in restricted bank deposits   | (21)      | 37,314    | 627         | 9,634     |
| Reimbursement from trust funds  | -         | -         | -           | 119,666   |
| Investments in short terms securities   | 1,120     | -         | (176,530)   | -         |
| Net cash used in investing activities   | (106,206) | (71,850)  | (380,726)   | (6,256)   |
| Cash flows from financing activities  |           |           |             |           |
| Dividends paid  | (204,233) | (199,511) | (204,233)   | (199,511) |
| Dividends paid to minority interest in subsidiaries                           | (8,420)   | (2,730)   | (16,001)    | (2,730)   |
| Proceeds from borrowings  | 133,478   | 247,494   | 234,563     | 645,763   |
| Repayments of borrowings  | (115,558) | (217,825) | (270,159)   | (734,247) |
| Net cash used in financing activities   | (194,733) | (172,572) | (255,830)   | (290,725) |
| (Decrease) / Increase in cash and cash equivalents                            | (130,944) | 18,573    | 77,521      | 148,707   |
| Movement in cash and cash equivalents   |           |           |             |           |
| At beginning of the period  | 887,222   | 423,660   | 680,591     | 293,824   |
| Effect of exchange rate changes   | (4,019)   | (11,949)  | (5,853)     | (12,247)  |
| (Decrease) / Increase in cash and cash equivalents                            | (130,944) | 18,573    | 77,521      | 148,707   |
| At June 30,   | 752,259   | 430,284   | 752,259     | 430,284   |
| Cash and cash equivalents   |           |           | At June 30, |           |
|   | 2006      | 2005      | 2006        | 2005      |
| Cash and bank deposits  | 776,146   | 450,586   | 776,146     | 450,586   |
| Bank overdrafts   | (22,466)  | (16,436)  | (22,466)    | (16,436)  |
| Restricted bank deposits  | (1,421)   | (3,866)   | (1,421)     | (3,866)   |
|   | 752,259   | 430,284   | 752,259     | 430,284   |

CONTACT: Tenaris  
Nigel Worsnop, 1-888-300-5432

Edgar Filing: TENARIS SA - Form 6-K

www.tenaris.com

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: August 4, 2006

Tenaris, S.A.

By: /s/ Cecilia Bilesio  
-----  
Cecilia Bilesio  
Corporate Secretary