TENARIS SA
Form 6-K
February 26, 2016

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 February 24, 2016

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 _Ö_ 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 _Ö__

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 Tenaris 2015 Fourth Quarter and Annual Results.

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: February 24, 2016.

Tenaris, S.A.

By: /s/ Cecilia Bilesio
Cecilia Bilesio
Corporate Secretary

Giovanni Sardagna
Tenaris
1-888-300-5432
www.tenaris.com

Tenaris Announces 2015 Fourth Quarter and Annual Results

The financial and operational information contained in this press release is based on audited consolidated financial statements presented in U.S. dollars and prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board and adopted by the European Union, or IFRS.

Luxembourg, February 24, 2016. - Tenaris S.A. (NYSE, Buenos Aires and Mexico: TS and MTA Italy: TEN) ("Tenaris") today announced its results for the fourth quarter and year ended December 31, 2015 with comparison to its results for the fourth quarter and year ended December 31, 2014.

Summary of 2015 Fourth Quarter Results

(Comparison with third quarter of 2015 and fourth quarter of 2014)

	Q4 2015	Q3 2015		Q4 2014	
Net sales ($ million)	1,420	1,559	(9 %)	2,677	(47 %)
Operating income (loss) ($ million)	24	(319)	108%	350	(93 %)
Net income (loss) ($ million)	(45)	(356)	87 %	246	(118%)
Shareholders' net income (loss) ($ million)	(47)	(355)	87 %	247	(119%)
Earnings (losses) per ADS ($)	(0.08)	(0.60)	87 %	0.42	(119%)
Earnings (losses) per share ($)	(0.04)	(0.30)	87 %	0.21	(119%)
EBITDA* ($ million)	223	240	(7 %)	712	(69 %)
EBITDA margin (% of net sales)	15.7 %	15.4 %		26.6 %	

*EBITDA is defined as operating income plus depreciation, amortization and impairment charges/(reversals). EBITDA includes severance charges of $34 million in Q4 2015 and $38 million in Q3 2015. If these charges were not included EBITDA would have been $257 million, 18.1% of sales in Q4 2015 and $278 million, 17.8% of sales in Q3 2015.

Sales continue to decline sequentially affected by the ongoing decline in drilling activity and the impact of the intense competitive environment on selling prices. Our EBITDA margin, however, remained stable sequentially as cost reductions continued. Net of restructuring charges, our EBITDA margin for the fourth quarter was down 8.5% year on year and, at 18%, remains at a competitive level. Net income was affected by non-cash deferred income tax charges resulting from currency depreciations in Argentina and losses on our share of investments in non-consolidated companies.

Operating cash flow amounted to $203 million in the fourth quarter of 2015. After a dividend payment of $177 million and capital expenditures of $307 million, our net cash position at the end of the year amounted to $1.8 billion.

Summary of 2015 Annual Results

	FY 2015	FY 2014	Increase/(Decrease)
Net sales ($ million)	7,101	10,338	(31 %)
Operating income ($ million)	195	1,899	(90 %)
Net income (loss) ($ million)	(74)	1,181	(106 %)
Shareholders' net income (loss) ($ million)	(80)	1,159	(107 %)
Earnings (losses) per ADS ($)	(0.14)	1.96	(107 %)
Earnings (losses) per share ($)	(0.07)	0.98	(107 %)
EBITDA* ($ million)	1,255	2,720	(54 %)
EBITDA margin (% of net sales)	17.7 %	26.3 %	

*EBITDA is defined as operating income plus depreciation, amortization and impairment charges/(reversals). EBITDA includes severance charges of $177 million in 2015. If these charges were not included 2015 EBITDA would have been $1,432 million, 20.2% of sales.

In 2015, our net sales declined 31% compared to 2014, affected by adverse market conditions. Sales of Tubes were down 45% in North America and 21% in the rest of the world where they were supported by our positioning in Argentina and a good level of shipments to South American pipeline projects. EBITDA, which included restructuring costs of $177 million, declined 54% year on year to $1.3 billion in 2015, with the margin affected by lower absorption of fixed costs on lower sales. In our operating income, we recorded impairment charges of $400 million on the value of our welded pipe assets in the USA, reflecting the decline in oil prices, and their impact on drilling activity and the demand outlook for welded pipe products in the regions served by these facilities. Our net result was further affected by non-cash deferred income tax charges of $131 million resulting from currency depreciation in Argentina and Mexico and a net loss of $40 million on our share of the earnings of non-consolidated companies. Net loss attributable to owners of the parent during 2015 was $80 million.

Cash flow from operations amounted to $2.2 billion for the year. After capital expenditure of $1.1 billion and dividend payments of $531 million, we had a net cash position (cash, other current investments and fixed income investments held to maturity less total borrowings) of $1.8 billion at December 31, 2015, compared with $1.3 billion at December 31, 2014.

Annual Dividend Proposal

The board of directors proposes, for the approval of the annual general shareholders' meeting to be held on May 4, 2016, the payment of an annual dividend of $0.45 per share ($0.90 per ADS), or approximately $531 million, which includes the interim dividend of $0.15 per share ($0.30 per ADS), or approximately $177 million, paid in November, 2015. If the annual dividend is approved by the shareholders, a dividend of $0.30 per share ($0.60 per ADS), or approximately $354 million will be paid on May 25, 2016, with an ex-dividend date on May 23, 2016 and record date on May 24, 2016.

Market Background and Outlook

As we enter 2016, oil and gas prices have fallen further and are now reaching levels which, in some areas, are close to or even below operating costs. At these levels, oil and gas companies are cutting back further on their investment plans, with a second successive year of substantial capital expenditure reductions expected in North America and the rest of the world. Drilling activity continues to decline and the US rig count has reached levels below those seen in previous downturns.

Global demand for OCTG will decline further in 2016, particularly in the United States and Canada where substantial activity reductions are expected and inventories remain high in relation to the level of consumption. In the rest of the world, demand in the Middle East will benefit from the end of last year's inventory reductions but in many other regions it will be affected by further declines in activity and inventory reductions. Absent a significant improvement in market conditions during the year, we expect global OCTG demand in 2016 to fall around 20% over the level of 2015.

Our sales in 2016 will be further affected by lower selling prices reflecting the intense competitive environment and lower shipments for South American pipeline projects. We will continue to adjust our operations in these unfavorable conditions, reducing costs and strengthening our market position in preparation for an eventual recovery. Despite the adverse market conditions we expect to maintain our EBITDA margin around the level of the fourth quarter.

Analysis of 2015 Fourth Quarter Results

Tubes Sales volume (thousand metric tons)	Q4 2015	Q3 2015		Q4 2014	
Seamless	440	439	0 %	745	(41%)
Welded	145	160	(9%)	239	(39%)
Total	585	599	(2%)	984	(41%)

Tubes	Q4 2015	Q3 2015		Q4 2014	
(Net sales - $ million)					
North America	487	502	(3 %)	1,294	(62%)
South America	440	465	(5 %)	483	(9 %)
Europe	119	150	(21 %)	213	(44%)
Middle East & Africa	199	229	(13 %)	392	(49%)
Far East & Oceania	47	47	0 %	115	(59%)
Total net sales ($ million)	1,292	1,393	(7 %)	2,497	(48%)
Operating income (loss) ($ million) †	5	(337)	101%	350	(99%)
Operating income (loss) (% of sales)	0.4 %	(24.1 %)		14.0 %	

† Tubes Operating income includes severance charges of $28 million in Q4 2015 and $36 million in Q3 2015. Additionally in Q3 2015 includes a goodwill impairment charge of $400 million on our North American business.

Net sales of tubular products and services declined 48% year on year and 7% sequentially. The decline in sales reflects the continued decine in drilling activity and inventory adjustments, which put pressure on the price for our products. Sequentially, sales declined in North America, due to lower sales in Mexico and the Gulf of Mexico, partially offset by a seasonal increase in Canada. In South America the decline was mainly attributed to lower sales in Argentina. In Europe sales declined due to lower OCTG sales, mainly to Norway and Romania. In the Middle East and Africa, the decline was mainly due to a decline of sales in North Africa following a concentration of shipments in the previous quarter. In the Far East and Oceania, sales remained stable as there was a marginal recovery of shipments to Indonesia.

Operating income from tubular products and services decreased 99% year on year and recovered from the previous quarter loss when results included a goodwill impairment charge of $400 million on our North American business. Tubes EBITDA, which excludes impairments, amounted to $199 million in the current quarter compared to $218 million in the previous quarter and $706 million in the fourth quarter of 2014. The 9% sequential decline in Tubes EBITDA is mainly due to sales declines mostly attributed to price reductions. Tubes EBITDA margin declined slightly sequentially as the decline in prices was partially offset by costs of raw material, depreciation of currencies against the U.S. dollar and better efficiency at the mills.

Others	Q4 2015	Q3 2015	Q4 2014