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TENARIS SA
Form 6-K
August 05, 2005

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 5, 2005

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 X Form 40-F
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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 results for the second quarter of 2005.

Tenaris Announces 2005 Second Quarter Results

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LUXEMBOURG--(BUSINESS WIRE)--Aug. 4, 2005--Tenaris S.A. (NYSE:TS) (BCBA:TS) (BMV:TS) (BI:TEN)

-- The financial and operational information contained in this press release is based on unaudited 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 quarter ended June 30, 2005 with comparison to its results for the quarter ended June 30, 2004.

Summary of 2005 Second Quarter Results

| | Q2 2005 | Q2 2004 | Increase/(Decrease) |
|---|---------|---------|---------------------|
| Net sales (US\$ million) | 1,744.3 | 996.8 | 75% |
| Operating income (US\$ million) | 490.6 | 153.7 | 219% |
| Net income (US\$ million) (a) | 341.6 | 129.0 | 165% |
| Shareholders' net income (US\$ million) | 313.5 | 127.3 | 146% |
| Earnings per ADS (US\$) | 2.65 | 1.08 | 146% |
| Earnings per share (US\$) | 0.265 | 0.108 | 146% |
| Avg. number of shares (million) | 1,180.5 | 1,180.5 | |
| EBITDA(b) (US\$ million) | 542.4 | 201.7 | 169% |
| EBITDA margin (% of net sales) | 31% | 20% | |

(a) 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.

(b) EBITDA equals operating income plus depreciation and amortization charges.

These second quarter results reflect the strong positioning we have established as the leading supplier of seamless pipe products to the global energy industry and the current positive fundamentals for investment in oil and gas exploration and production. Net sales increased 20% sequentially over the result posted in the first quarter, due to an 11% increase in average selling prices for our seamless pipes and higher sales volumes of both seamless and welded pipes. Consolidated EBITDA and operating margins were maintained at the levels of the first quarter in spite of significant cost increases in our seamless business. Free cash flow (net cash provided by operations less capital expenditures) was a positive US\$178.7 million but net debt increased by US\$65.2 million to US\$713.9 million following the payment of a dividend of US\$199.5 million to shareholders and the payment of approximately US\$70 million (equity plus debt) for the acquisition of a steel mill in Romania.

Market Background and Outlook

Global demand for seamless pipes continues to increase led by higher drilling activity in the oil and gas industry. The international count of active drilling rigs, as published by Baker

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Hughes, averaged 916 during the second quarter of 2005, an increase of 9% compared to the same quarter of the previous year, with significant increases shown in Venezuela and the Middle East. The increase over the first quarter of 2005 was 5%.

Strong demand for our products, particularly the high-end pipes in which we increasingly specialize, helped our average selling price for seamless pipe products to record a further increase over the level recorded in the first quarter of 2005. We expect overall market conditions to remain favorable for the rest of the year.

After the substantial increases in most of our steelmaking raw material costs in the second half of 2003 and in 2004, international prices for scrap steel, DRI and pig iron declined over the past few months though more recent increases suggest this downward trend may have run its course. On the other hand, many of our other costs, such as iron ore, energy and labor have been increasing. Lower international scrap and pig iron costs, if sustained, should help to offset any further increase in the costs of these other inputs during the second half.

Demand for our welded pipe products is benefiting from gas pipeline projects in Brazil, where there are a number of gas pipeline projects under development as Petrobras seeks to build up the country's gas pipeline infrastructure, and in Argentina, where there are projects to increase capacity in and extend the existing gas pipeline infrastructure in order to meet growing gas consumption. We currently expect sales of our welded pipe products in the second half of 2005 to remain near the level of the first half.

Assuming no major change in current conditions, we expect to maintain our operating margins, while our seamless sales volumes could be lower in the second half due to the effect of seasonal factors in the third quarter.

Analysis of 2005 Second Quarter Results

(metric tons)

| Sales volume | Q2 2005 | Q2 2004 | Increase/(Decrease) |
|----------------------|---------|---------|---------------------|
| North America | 233,000 | 194,000 | 20% |
| Europe | 165,000 | 170,000 | (3%) |
| Middle East & Africa | 127,000 | 125,000 | 2% |
| Far East & Oceania | 99,000 | 103,000 | (4%) |
| South America | 124,000 | 92,000 | 35% |
| Total seamless pipes | 747,000 | 683,000 | 9% |
| Welded pipes | 158,000 | 85,000 | 86% |
| Total steel pipes | 905,000 | 769,000 | 18% |

Sales volume of seamless pipes increased by 9% to 747,000 tons in the second quarter of 2005 from 683,000 tons in the same period of 2004. This includes 28,000 tons produced by Silcotub. Sales volumes showed notable increases in North America, where there were higher sales of OCTG produced at our Canadian mill, higher sales to process and power plant customers in the USA and increased demand from Pemex in Mexico, and in South America, where there was higher drilling activity in Venezuela and higher sales in Argentina. Sales in Europe declined reflecting industrial weakness in Italy and lower sales to process and power plant customers and North Sea pipeline projects.

Sales volumes of welded pipes increased by 86% to 158,000 tons in the second quarter of 2005 from 85,000 tons in the same period of 2004. The increase in sales was due to a strong recovery in demand for

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welded pipes for gas pipeline projects in Brazil and Argentina.

(US\$ million)

| Net sales | Q2 2005 | Q2 2004 | Increase/(Decrease) |
|----------------|---------|---------|---------------------|
| Seamless pipes | 1,307.9 | 797.9 | 64% |
| Welded pipes | 255.4 | 89.8 | 184% |
| Energy | 112.2 | 92.8 | 21% |
| Others | 68.8 | 16.3 | 322% |
| Total | 1,744.3 | 996.8 | 75% |

Net sales in the quarter ended June 30, 2005 increased 75% to US\$1,744.3 million, compared to US\$996.8 million in the corresponding quarter of 2004. Net sales of seamless pipes rose by 64%, due to higher average selling prices and higher sales volumes. Net sales of welded pipes, which included US\$12 million in sales of metal structures made by our Brazilian welded pipe subsidiary in the second quarter of 2005 and US\$16 million of such sales in the second quarter of 2004, rose by 184% due to higher sales volume and higher selling prices. Net sales of energy rose by 21% due to higher sales of natural gas and a higher average value of the Euro against the U.S. dollar. Net sales of other goods and services increased 322% due to sales of pre-reduced hot briquetted iron from the plant in Venezuela that we acquired in July 2004 and higher sales of sucker rods used in oil extraction.

(percentage of net sales)

| Cost of sales | Q2 2005 | Q2 2004 |
|----------------|---------|---------|
| Seamless pipes | 55% | 65% |
| Welded pipes | 67% | 70% |
| Energy | 99% | 97% |
| Others | 61% | 54% |
| Total | 60% | 68% |

Cost of sales, expressed as a percentage of net sales, decreased to 60% in the second quarter of 2005, compared to 68% in the same period of 2004 due to a higher gross margin on our sales of seamless pipe products. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 55% in the second quarter of 2005 compared to 65% in the same period of 2004 as higher average selling prices offset increased raw material costs. Cost of sales for welded pipe products, expressed as a percentage of net sales, decreased to 67% in the second quarter of 2005 compared to 70% in the same quarter of 2004 as higher average selling prices and volume-related efficiencies offset increased raw material prices.

Selling, general and administrative expenses, or SG&A, declined as a percentage of net sales to 12.2% in the quarter ended June 30, 2005 compared to 16.8% in the corresponding quarter of 2004 but rose in absolute terms to US\$212.5 million compared to US\$167.5 million.

Net financial expenses rose to US\$42.6 million in the second quarter of 2005, compared to net financial expenses of US\$3.9 million in the same period of 2004. Net interest expenses increased to US\$11.5 million compared to US\$6.7 million, reflecting increases in interest rates and higher interest costs associated with a higher proportion of long-term debt as a percentage of total debt. Tenaris recorded a loss

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of US\$32.7 million on net foreign exchange transactions and the fair value of derivative instruments in the second quarter of 2005, compared to a gain of US\$2.5 million in the corresponding quarter of 2004. A net loss of US\$18.4 million was recorded on the fair value of derivatives due principally to the effect on the application of our currency hedging policy of the depreciation of the Japanese Yen and the Euro and appreciation of the Brazilian real against the U.S. dollar. Net foreign exchange transaction losses totaled US\$14.3 million primarily from intercompany transactions that are not eliminated in consolidation in accordance with applicable IFRS and which are partially offset by changes in our net equity position. These included losses due to the effect of the appreciation of the Mexican peso on a positive U.S. dollar position at our Mexican subsidiaries, and to the effect of the depreciation of the Euro on a negative U.S. dollar position at our Euro-zone subsidiaries.

Equity in earnings of associated companies generated a gain of US\$38.3 million in the second quarter of 2005, compared to a gain of US\$40.1 million in the second quarter of 2004. These gains were incurred mainly in respect of our equity investment in Sidor.

Income tax charges rose to US\$144.6 million in the second quarter of 2005, equivalent to 32% of income before equity in earnings of associated companies and income tax, compared to US\$60.9 million, or 41% of income before equity in earnings of associated companies and income tax, in the corresponding quarter of 2004.

Income attributable to minority interest rose to US\$28.2 million in the second quarter of 2005, compared to US\$1.7 million in the corresponding quarter of 2004 reflecting an improvement in operating and financial results at our Confab and NKK Tubes subsidiaries.

Cash Flow and Liquidity

Net cash provided by operations during the second quarter of 2005 was US\$263.0 million (US\$445.7 million during the first half). Working capital increased by US\$124.2 million (US\$334.1 million during the first half), due to a decrease in customer advances of US\$80.5 million and a net increase in trade receivables less trade payables of US\$47.1 million. The decrease in customer advances reversed an increase of similar magnitude in the first quarter and reflects activity in our welded pipe business. The increase of US\$120.2 million in inventories recorded in the first half occurred mainly in the first quarter.

Net cash used in investment activities during the second quarter was US\$71.9 million. This includes US\$84.3 million used for capital expenditures, US\$47.9 million used in acquisitions and US\$21.6 million provided by distributions on our investment in Sidor. A dividend of US\$199.5 million was paid to Tenaris shareholders and a further US\$2.7 million was paid by Tenaris subsidiaries to minority interests.

In the year to date, total financial debt has decreased by US\$94.8 million to US\$1,164.5 million at June 30, 2005 from US\$1,259.3 million at December 31, 2004. Net financial debt decreased by US\$114.2 million to US\$713.9 million at June 30, 2005.

Analysis of First Half Results

Results for the six months period ended June 30, 2005 with comparison to the results for the corresponding period of 2004.

Net income attributable to equity holders in the company during the first half of 2005 was US\$577.7 million, or US\$0.489 per share (US\$4.89 per ADS), or 18% of net sales, which compares with net income attributable to equity holders in the company during the first half of 2004 of US\$175.7 million, or US\$0.149 per share (US\$1.49 per ADS), or 9% of net sales. Operating income was US\$896.3 million, or 28% of net sales, compared to US\$256.3 million, or 14% of net sales. Operating

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income plus depreciation and amortization was US\$1,000.0 million, or 31% of net sales, compared to US\$358.1 million, or 19% of net sales.

(metric tons)

| Sales volume | 1H 2005 | 1H 2004 | Increase/(Decrease) |
|----------------------|-----------|-----------|---------------------|
| North America | 453,000 | 351,000 | 29% |
| Europe | 344,000 | 339,000 | 1% |
| Middle East & Africa | 228,000 | 207,000 | 10% |
| Far East & Oceania | 200,000 | 216,000 | (7%) |
| South America | 225,000 | 188,000 | 20% |
| Total seamless pipes | 1,450,000 | 1,301,000 | 11% |
| Welded pipes | 267,000 | 155,000 | 72% |
| Total steel pipes | 1,717,000 | 1,456,000 | 18% |

(US\$ million)

| Net sales | 1H 2005 | 1H 2004 | Increase/(Decrease) |
|----------------|---------|---------|---------------------|
| Seamless pipes | 2,413.1 | 1,472.5 | 64% |
| Welded pipes | 415.9 | 156.2 | 166% |
| Energy | 256.2 | 196.7 | 30% |
| Others | 112.1 | 30.8 | 264% |
| Total | 3,197.2 | 1,856.2 | 72% |

Net sales in the six months ended June 30, 2005 increased 72% to US\$3,197.2 million, compared to US\$1,856.2 million in the corresponding period of 2004. Net sales of seamless pipes rose by 64% due to higher average selling prices and higher sales volume reflecting strong market demand. Net sales of welded pipes, which included US\$29 million in sales of metal structures made by our Brazilian welded pipe subsidiary in the first half of 2005 and US\$33 million of such sales in the first half of 2004, increased 166% due to higher sales volumes reflecting increased demand from gas pipeline projects in Brazil and Argentina and higher average selling prices. Net sales of electricity and natural gas by Dalmine Energie increased by 30% reflecting higher sales of natural gas and the higher average value of the Euro against the U.S. dollar. Net sales of other goods and services increased 264% due to sales of pre-reduced hot briquetted iron from the plant that we acquired in July 2004 and higher sales of sucker rods used in oil extraction.

(percentage of net sales)

| Cost of sales | 1H 2005 | 1H 2004 |
|----------------|---------|---------|
| Seamless pipes | 55% | 66% |
| Welded pipes | 66% | 74% |
| Energy | 97% | 97% |
| Others | 59% | 59% |
| Total | 60% | 70% |

Cost of sales, expressed as a percentage of net sales, decreased to 60% in the first half of 2005, compared to 70% in the same period of 2004 due to higher gross margins on our sale of seamless and welded pipe products. Cost of sales for seamless pipe products, expressed as a percentage of net sales, decreased to 55% in the first half of 2005

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compared to 66% in the same period of 2004 as higher average selling prices and volume-related efficiencies offset increased raw material costs. Cost of sales for welded pipe products, expressed as a percentage of net sales, decreased to 66% in the first half of 2005, compared to 74% in the same period of 2004, as higher average selling prices and volume-related efficiencies offset increased raw material prices.

Selling, general and administrative expenses, or SG&A, declined as a percentage of net sales to 12.4 % in the six months ended June 30, 2005 compared to 16.6% in the corresponding period of 2004 but rose in absolute terms to US\$397.6 million compared to US\$307.4 million.

Net financial expenses totalled US\$84.5 million in the first half of 2005, compared to net financial expenses of US\$19.3 million in the same period of 2004. Net interest expenses increased to US\$21.0 million compared to US\$12.3 million, reflecting increases in interest rates and higher interest costs associated with a higher proportion of long-term debt as a percentage of total debt. Tenaris recorded a loss of US\$66.6 million on net foreign exchange transactions and the fair value of derivative instruments in the first half of 2005, compared to a loss of US\$12.7 million in the first half of 2004.

Equity in earnings of associated companies generated a gain of US\$68.4 million in the first half of 2005, compared to a gain of US\$39.7 million in the first half of 2004. These gains were incurred mainly in respect of our equity investment in Sidor.

Income tax charges of US\$258.7 million were recorded during the first half of 2005, equivalent to 32% of income before equity in earnings of associated companies and income tax, compared to income tax provisions of US\$100.0 million, equivalent to 42% of income before equity in earnings of associated companies and income tax, during the corresponding period of 2004.

Income attributable to minority interest rose to US\$43.9 million in the first half of 2005, compared to US\$1.0 million in the first half of 2004 reflecting an improvement in operating and financial results at our Confab and NKKTubes subsidiaries.

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 prices and their impact on investment programs by oil companies.

Consolidated Income Statement

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

| | Three-month period ended June 30, | | Six-month period ended June 30, | |
|--|--------------------------------------|-----------|------------------------------------|-------------|
| | 2005 | 2004 | 2005 | 2004 |
| | ----- | | | |
| | ----- | | | |
| | (Unaudited) | | | |
| Net sales | 1,744,311 | 996,849 | 3,197,238 | 1,856,195 |
| Cost of sales | (1,043,774) | (677,655) | (1,908,902) | (1,298,112) |
| | ----- | | | |
| Gross profit | 700,537 | 319,194 | 1,288,336 | 558,083 |
| Selling, general and administrative expenses | (212,510) | (167,547) | (397,593) | (307,365) |

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| | | | | |
|---|-----------|----------|-----------|----------|
| Other operating income (expense), net | 2,602 | 2,065 | 5,569 | 5,565 |
| Operating income | 490,629 | 153,712 | 896,312 | 256,283 |
| Financial income (expense), net | (42,643) | (3,885) | (84,450) | (19,323) |
| Income before equity in earnings (losses) of associated companies and income tax | 447,986 | 149,827 | 811,862 | 236,960 |
| Equity in earnings (losses) of associated companies | 38,279 | 40,130 | 68,442 | 39,669 |
| Income before income tax | 486,265 | 189,957 | 880,304 | 276,629 |
| Income tax | (144,645) | (60,911) | (258,714) | (99,980) |
| Income for the period(c) | 341,620 | 129,046 | 621,590 | 176,649 |
| Attributable to(c): | | | | |
| Equity holders of the Company | 313,456 | 127,314 | 577,690 | 175,682 |
| Minority interest | 28,164 | 1,732 | 43,900 | 967 |
| | 341,620 | 129,046 | 621,590 | 176,649 |

(c) Prior to December 31, 2004 minority interest was shown in the income statement before net income, as required by International Financial Reporting Standards in effect. For periods beginning on or after January 1, 2005, IAS 1 (revised) requires that income for the period as shown on the income statement not exclude minority interest. Earnings per share, however, continue to be calculated on the basis of net income attributable solely to the equity holders of the Company.

Consolidated Balance Sheet

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

| | At June 30, 2005 | At December 31, 2004 |
|--|------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment, net | 2,209,065 | 2,164,601 |
| Intangible assets, net | 161,607 | 49,211 |
| Investments in associated companies | 224,685 | 99,451 |
| Other investments | 25,225 | 24,395 |
| Deferred tax assets | 171,900 | 161,173 |
| Receivables | 35,317 | 151,365 |
| | 2,827,799 | 2,650,196 |
| Current assets | | |
| Inventories | 1,389,631 | 1,269,470 |
| Receivables and | | |

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| | | | | |
|---|-----------|-----------|-----------|-----------|
| prepayments | 167,647 | | 279,450 | |
| Current tax assets | 95,911 | | 94,996 | |
| Trade receivables | 1,258,981 | | 936,931 | |
| Other investments | 5,000 | | 119,666 | |
| Cash and cash equivalents | 450,586 | 3,367,756 | 311,579 | 3,012,092 |
| | ----- | ----- | ----- | ----- |
| Total assets | | 6,195,555 | | 5,662,288 |
| EQUITY | | | | |
| Capital and reserves attributable to the Company's equity holders | | | | |
| Share capital | 1,180,537 | | 1,180,537 | |
| Legal reserves | 118,054 | | 118,054 | |
| Share premium | 609,733 | | 609,733 | |
| Other distributable reserve | -- | | 82 | |
| Currency translation adjustments | (51,622) | | (30,020) | |
| Retained earnings | 1,106,574 | 2,963,276 | 617,538 | 2,495,924 |
| | ----- | ----- | ----- | ----- |
| Minority interest | | 217,880 | | 165,271 |
| | | ----- | | ----- |
| Total equity | | 3,181,156 | | 2,661,195 |
| | | ----- | | ----- |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Borrowings | 682,551 | | 420,751 | |
| Deferred tax liabilities | 362,331 | | 371,975 | |
| Other liabilities | 164,599 | | 172,442 | |
| Provisions | 41,469 | | 31,776 | |
| Trade payables | 3,963 | 1,254,913 | 4,303 | 1,001,247 |
| | ----- | ----- | ----- | ----- |
| Current liabilities | | | | |
| Borrowings | 481,972 | | 838,591 | |
| Current tax liabilities | 262,302 | | 222,735 | |
| Other liabilities | 180,867 | | 194,945 | |
| Provisions | 30,307 | | 42,636 | |
| Customers advances | 109,427 | | 108,847 | |
| Trade payables | 694,611 | 1,759,486 | 592,092 | 1,999,846 |
| | ----- | ----- | ----- | ----- |
| Total liabilities | | 3,014,399 | | 3,001,093 |
| Total equity and liabilities | | 6,195,555 | | 5,662,288 |

Consolidated Cash Flow Statement

| | Three-month period ended June 30, | | Six-month period ended June 30, | |
|---|--------------------------------------|------|------------------------------------|------|
| | ----- | | ----- | |
| (all amounts in thousands of U.S. dollars) | 2005 | 2004 | 2005 | 2004 |

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| | (Unaudited) | | (Unaudited) | |
|--|-------------|-----------|-------------|-----------|
| Cash flows from operating activities | | | | |
| Income for the period | 341,620 | 129,046 | 621,590 | 176,649 |
| Adjustments for: | | | | |
| Depreciation and amortization | 51,766 | 48,005 | 103,743 | 101,829 |
| Income tax accruals less payments | (1,722) | 18,430 | 35,756 | 8,110 |
| Equity in (earnings) losses of associated companies | (38,279) | (40,130) | (68,442) | (39,669) |
| Interest accruals less payments, net | 3,866 | 1,442 | 6,210 | 2,993 |
| Changes in provisions | 1,649 | 106 | (2,636) | (962) |
| Proceeds from Fintecna arbitration award net of BHP settlement | -- | 55,090 | 66,594 | -- |
| Changes in working capital | (124,228) | (191,130) | (334,106) | (311,021) |
| Currency translation adjustment and others | 28,323 | (14,250) | 16,979 | (20,829) |
| | ===== | ===== | ===== | ===== |
| Net cash provided by (used in) operating activities | 262,995 | 6,609 | 445,688 | (82,900) |
| | ===== | ===== | ===== | ===== |
| Cash flows from investing activities | | | | |
| Capital expenditures | (84,318) | (42,871) | (131,634) | (82,783) |
| Capital increase and acquisitions of subsidiaries and associated companies | (47,892) | (379) | (47,930) | (188) |
| Cost of disposition of property, plant and equipment and intangible assets | 1,448 | 2,450 | 2,890 | 8,969 |
| Dividends and distributions received from associated companies | 21,598 | 16,802 | 41,118 | 16,802 |
| Changes in restricted bank deposits | 37,314 | -- | 9,634 | -- |
| Reimbursement from trust funds | -- | -- | 119,666 | -- |
| | ===== | ===== | ===== | ===== |
| Net cash used in investing activities | (71,850) | (23,998) | (6,256) | (57,200) |
| | ===== | ===== | ===== | ===== |
| Cash flows from financing activities | | | | |
| Dividends paid | (199,511) | (135,053) | (199,511) | (135,053) |
| Dividends paid to minority interest in subsidiaries | (2,730) | (23) | (2,730) | (23) |
| Proceeds from borrowings | 247,494 | 209,405 | 645,763 | 341,471 |
| Repayments of borrowings | (217,825) | (10,053) | (734,247) | (51,720) |
| | ===== | ===== | ===== | ===== |
| Net cash (used in) provided by financing activities | (172,572) | 64,276 | (290,725) | 154,675 |
| | ===== | ===== | ===== | ===== |
| Increase in cash and cash equivalents | 18,573 | 46,887 | 148,707 | 14,575 |

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| | | | | |
|---------------------------------------|----------|---------|----------|---------|
| Movement in cash and cash equivalents | | | | |
| At beginning of the period | 423,660 | 205,340 | 293,824 | 238,030 |
| Effect of exchange rate changes | (11,949) | 3,078 | (12,247) | 2,700 |
| Increase in cash and cash equivalents | 18,573 | 46,887 | 148,707 | 14,575 |
| At June 30 | 430,284 | 255,305 | 430,284 | 255,305 |

| Cash and cash equivalents | At June 30 | | At June 30 | |
|---------------------------|------------|----------|------------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash and bank deposits | 450,586 | 268,969 | 450,586 | 268,969 |
| Bank overdrafts | (16,436) | (13,664) | (16,436) | (13,664) |
| Restricted bank deposits | (3,866) | -- | (3,866) | -- |
| | 430,284 | 255,305 | 430,284 | 255,305 |

CONTACT: Tenaris S.A.
 Nigel Worsnop, 888-300-5432
 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 5, 2005

Tenaris, S.A.

By: /s/ Cecilia Bilesio

 Cecilia Bilesio
 Corporate Secretary