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TENARIS SA
Form 6-K
August 06, 2004

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 6, 2004

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

TENARIS, S.A.
13, rue Beaumont
L-1219 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
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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
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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 2004.

Tenaris Announces Second Quarter 2004 Results

LUXEMBOURG--(BUSINESS WIRE)--Aug. 5, 2004--Tenaris S.A. (NYSE:TS)

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(Buenos Aires:TS) (BMV:TS) (MTA Italy: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) (Buenos Aires:TS) (BMV:TS) (MTA Italy:TEN) ("Tenaris") today announces its results for the quarter and six months ended June 30, 2004 with comparison to its results for the quarter and six months ended June 30, 2003.

Second Quarter Summary

- Net sales of US\$996.8 million, up 14.7% from US\$868.9 million
- Operating income of US\$153.7 million, up 36.7% from US\$112.5 million
- Net income of US\$127.3 million, up 42.0% from US\$89.7 million
- Net earnings per share of US\$0.108 (US\$1.08 per ADS), up 40.3% from US\$0.077 per share

Net sales, operating income and net income all rose significantly over the levels recorded both in the first quarter of 2004 and those of the corresponding quarter of the previous year. Operating income plus depreciation and amortization increased 23.7% to US\$201.7 million, or 20.2% of net sales, compared to US\$163.1 million, or 18.8% of net sales in the second quarter of 2003, and net income was equal to 12.8% of net sales. These positive results were driven by a 25% increase in our net sales of seamless pipes and included a strong contribution from our indirect investments in Sidor. Seamless sales volumes benefited from strong demand in North America, which surpassed Europe to become our highest sales volume region, as well as a recovery in demand in the Middle East and Africa region. Average selling prices for seamless pipes rose 7% quarter on quarter and 12% compared to the second quarter of 2003. During the quarter, Tenaris paid a dividend of US\$0.114 per share (US\$1.14 per ADS), or approximately US\$135.1 million, to shareholders.

Market Background and Outlook

In the first half of 2004, oil prices not only remained strong but rose to their current levels exceeding US\$40 per barrel. Global oil demand has increased more rapidly than many had expected, following faster global economic growth led by the U.S. and Chinese economies. In response to increased consumption and higher prices, some OPEC nationals led by Saudi Arabia increased their production but this has not yet resulted in lower prices. Global oil and gas drilling activity, as measured by the number of active rigs, increased particularly in North and South America. The aggregate increase in rig counts elsewhere, however, has been more limited and, in countries like Iraq and Nigeria, activity continues to remain affected by political and security issues. Tenaris has benefited from increased demand for seamless pipes in each of our local markets of Mexico, Argentina, Canada and Venezuela, with Mexico showing particular strength. In addition, industrial production activity in North America and Japan, which has been growing, led to increased demand for seamless pipes in this sector, but in Europe the recovery in the sector remains uncertain particularly in Italy, which is our largest

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market in the region. For the rest of the year, demand for our seamless pipes is expected to remain favorable but will be affected by seasonal factors and sales volumes, on a comparable basis, are unlikely to match those of the first half. Revenues, however, should continue to benefit from higher selling prices.

Steelmaking raw material costs, which rose substantially during 2003, surged in the first quarter of 2004. After falling back briefly in the second quarter, they are increasing again and are expected to result in further increases in production costs in the second half of the year.

Demand for our welded pipes continues to be affected by delays in implementing projects in the local Brazilian market as well a lack of projects in other South American markets and is likely to remain at low levels for the rest of the year. The energy crisis in Argentina should eventually result in investment in expanding the capacity of the existing pipeline infrastructure and in construction of new pipelines but there can be no assurance of when this might occur.

Significant Developments

Following the end of the second quarter, we completed two acquisitions. On July 9, together with Sidor, we purchased for US\$120 million the assets of Posven, a Venezuelan company, consisting principally of an industrial facility for the production of pre-reduced hot briquetted iron, or HBI, located in Ciudad Guayana, Venezuela. This facility, which was idled in 2001 shortly after starting up, has a rated annual design capacity of 1.5 million tons. Tenaris has a 50.2% shareholding in the company formed with Sidor to purchase and operate the facility. Once in operation, the facility, which uses natural gas to reduce iron oxide, will provide us with a low-cost, high quality steelmaking raw material which will improve our competitive positioning and facilitate any future expansion of our steelmaking capacity.

On July 26, we secured control of S.C. Silcotub S.A., a Romanian seamless pipe producer with an annual capacity of 180,000 tons, by paying US\$42 million for the purchase of Tubman International, a Gibraltar registered company, which owns an 84.9% shareholding in Silcotub. The integration of Silcotub will strengthen our competitive positioning in the European industrial and automotive market, increase our capacity to supply small diameter OCTG products and provide us a production base in Eastern Europe as well as access to markets in this region.

Analysis of 2004 Second Quarter Results

(metric tons)

| Sales volume | Q2 2004 | Q2 2003 | Increase/(Decrease) |
|----------------------|---------|---------|---------------------|
| North America | 194,000 | 147,000 | 32% |
| Europe | 170,000 | 175,000 | (3%) |
| Middle East & Africa | 125,000 | 115,000 | 9% |
| Far East & Oceania | 103,000 | 98,000 | 5% |
| South America | 92,000 | 76,000 | 21% |
| Total seamless pipes | 683,000 | 612,000 | 12% |
| Welded pipes | 85,000 | 131,000 | (35%) |
| Total steel pipes | 769,000 | 742,000 | 4% |

Sales volume of seamless pipes increased by 12% to 683,000 tons in the second quarter of 2004 from 612,000 tons in the same period of 2003. This increase primarily reflects higher demand in our local markets of Mexico, Canada, Venezuela and Argentina. Quarter on

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quarter, sales volumes of seamless pipes increased by 11%, with significant increases recorded in the Middle East and Africa and in North America.

Sales volumes of welded pipes decreased by 35% to 85,000 tons in the second quarter of 2004 from 131,000 tons in the same period of 2003, with demand being affected by continuing delays in implementing pipeline projects in the Brazilian market and a lack of projects elsewhere in South America.

(US\$ million)

| Net sales | Q2 2004 | Q2 2003 | Increase/ (Decrease) |
|----------------|---------|---------|----------------------|
| Seamless pipes | 797.9 | 637.4 | 25% |
| Welded pipes | 89.8 | 117.9 | (24%) |
| Energy | 92.8 | 82.4 | 13% |
| Others | 16.3 | 31.2 | (48%) |
| Total | 996.8 | 868.9 | 15% |

Net sales in the quarter ended June 30, 2004 increased 15% to US\$996.8 million, compared to US\$868.9 million in the corresponding quarter of 2003. Net sales of seamless pipes rose by 25%, due to higher sales volumes and higher average selling prices. Quarter on quarter, net sales of seamless pipes increased 18% with average selling prices up by 7%. Net sales of welded pipes, which included US\$18 million in sales of metal structures made by our Brazilian welded pipe subsidiary in the second quarter of 2004 and US\$16 million of such sales in the second quarter of 2003, decreased 24% reflecting the reduction in sales volume of welded pipes and a 8% increase in average selling prices. Net sales of electricity and natural gas by Dalmine Energie increased by 13% reflecting higher sales volumes and an increase in the value of the Euro against the U.S. dollar. Net sales of other goods and services decreased 48% following the discontinuation of sales of non-pipe steel products produced by third parties, which amounted to US\$12 million in the second quarter of 2003, and a reduction in sales of excess energy to third parties from our power generating facility in Argentina.

(percentage of net sales)

| Cost of sales | Q2 2004 | Q2 2003 |
|----------------|---------|---------|
| Seamless pipes | 64.5% | 64.2% |
| Welded pipes | 69.7% | 78.5% |
| Energy | 96.9% | 95.3% |
| Others | 64.1% | 76.3% |
| Total | 68.0% | 69.5% |

Cost of sales, expressed as a percentage of net sales, decreased 1.5 percentage points to 68.0% in the second quarter of 2004, compared to 69.5% in the same period of 2003. This decrease resulted from higher sales of seamless pipe products as a proportion of total sales and a decrease in cost of sales for welded pipe products. Cost of sales for seamless pipe products, expressed as a percentage of net sales, remained relatively stable at 64.5% in the second quarter of 2004 compared to 64.2% in the same period of 2003 with increased average selling prices and volume-related efficiencies helping to offset increased raw material costs. Cost of sales for welded pipe products, expressed as a percentage of net sales, decreased to 69.7% in the second quarter of 2004, compared to 78.5% in the same period of 2003. However, the margin on sales of welded pipes, after taking into account selling expenses (there was a substantial increase in the

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proportion of export sales in the sales mix), remained stable under the same comparison. Cost of sales for other products, expressed as a percentage of net sales, decreased to 64.1% in the second quarter of 2004, compared to 76.3% in the same period of 2003, due primarily to the termination of sales of low-margin other steel products.

Selling, general and administrative expenses, or SG&A, rose to US\$167.5 million, or 16.8% of net sales in the quarter ended June 30, 2004, compared to US\$146.2 million, or 16.8% of net sales, during the corresponding quarter of 2003. An increase in selling expenses associated with increased export sales of welded pipes and rising freight costs offset a reduction of administrative expenses when expressed as a percentage of net sales.

Net financial expenses totalled US\$3.9 million in the second quarter of 2004, compared to net financial expenses of US\$10.9 million in the same period of 2003. Net interest expenses increased to US\$6.7 million, compared to US\$4.0 million in the second quarter of 2003, reflecting a higher net debt position. Net financial expenses for the second quarter of 2004 included net foreign exchange translation gains of US\$2.5 million compared to net foreign exchange translation losses of US\$9.6 million in the second quarter of 2003.

Equity in earnings of associated companies generated a gain of US\$40.1 million in the second quarter of 2004, compared to a gain of US\$14.7 million in the second quarter of 2003. This reflected the performance of our indirect investments in Sidor, whose results benefited from strong global demand and prices for steel products.

First Half Results

Results for the six months period ended June 30, 2004 with comparison to the results for the corresponding period of 2003.

Net income during the first half of 2004 was US\$175.7 million, or US\$0.149 per share (US\$1.49 per ADS), or 9.5% of net sales, which compares with net income during the first half of 2003 of US\$135.2 million, or US\$0.116 per share (US\$1.16 per ADS), or 8.2% of net sales. Operating income was US\$256.3 million, or 13.8% of net sales, compared to US\$211.0 million, or 12.7% of net sales. Operating income plus depreciation and amortization was US\$358.1 million, or 19.3% of net sales, compared to US\$309.5 million, or 18.7% of net sales.

(metric tons)

| Sales volume | 1H 2004 | 1H 2003 | Increase/(Decrease) |
|----------------------|-----------|-----------|---------------------|
| North America | 351,000 | 287,000 | 22% |
| Europe | 339,000 | 332,000 | 2% |
| Middle East & Africa | 207,000 | 201,000 | 3% |
| Far East & Oceania | 216,000 | 219,000 | (1%) |
| South America | 188,000 | 144,000 | 31% |
| Total seamless pipes | 1,301,000 | 1,182,000 | 10% |
| Welded pipes | 155,000 | 239,000 | (35%) |
| Total steel pipes | 1,456,000 | 1,420,000 | 3% |

Sales volume of seamless pipes increased by 10% to 1,301,000 tons in the first half of 2004 from 1,182,000 tons in the same period of 2003. The increase in sales volumes reflects increased demand in our local markets in North and South America.

Sales volume of welded pipes decreased by 35% to 155,000 tons in the first half of 2004 from 239,000 tons in the same period of 2003. This decrease was due principally to continuing delays in implementing pipeline projects in the Brazilian market, whereas in the first half of 2003 demand for welded pipes for pipeline projects in the Brazilian market had been strong.

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(US\$ million)

| Net sales | 1H 2004 | 1H 2003 | Increase/(Decrease) |
|----------------|---------|---------|---------------------|
| Seamless pipes | 1,471.7 | 1,203.0 | 22% |
| Welded pipes | 156.2 | 216.4 | (28%) |
| Energy | 196.7 | 154.5 | 27% |
| Others | 31.5 | 84.6 | (63%) |
| Total | 1,856.2 | 1,658.5 | 12% |

Net sales in the six months ended June 30, 2004 increased 12% to US\$1,856.2 million, compared to US\$1,658.5 million in the corresponding period of 2003. Net sales of seamless pipes rose by 22%, due to higher average selling prices and higher sales volume. Net sales of welded pipes, which included US\$33 million in sales of metal structures made by our Brazilian welded pipe subsidiary in the first half of 2004 and US\$31 million of such sales in the first half of 2003, decreased 28% reflecting the reduction in sales volume of welded pipes and a 3% increase in average selling prices. Net sales of electricity and natural gas by Dalmine Energie increased by 27% reflecting higher sales volumes and the increase in the value of the Euro against the U.S. dollar. Net sales of other goods and services decreased 63% following the discontinuation of sales of non-pipe steel products produced by third parties, which amounted to US\$49 million in the first half of 2003, and a reduction in sales of excess energy to third parties from our power generating facility in Argentina.

(percentage of net sales)

| Cost of sales | 1H 2004 | 1H 2003 |
|----------------|---------|---------|
| Seamless pipes | 65.9% | 65.2% |
| Welded pipes | 74.4% | 73.4% |
| Energy | 96.8% | 97.0% |
| Others | 66.7% | 82.4% |
| Total | 69.9% | 70.1% |

Cost of sales, expressed as a percentage of net sales, decreased marginally to 69.9% in the first half of 2004, compared to 70.1% in the same period of 2003. This decrease resulted from higher sales of seamless pipe products as a proportion of total sales. Cost of sales for seamless pipe products, expressed as a percentage of net sales, increased to 65.9% in the first half of 2004 compared to 65.2% in the same period of 2003 due to higher raw material costs outweighing the effect of higher average selling prices and volume-related efficiencies. Cost of sales for welded pipe products, expressed as a percentage of net sales, remained relative stable at 74.4% in the first half of 2004, compared to 73.4% in the same period of 2003. However, the margin on sales of welded pipes, after taking into account selling expenses (there was a substantial increase in the proportion of export sales in the sales mix), decreased under the same comparison. Cost of sales for other products, expressed as a percentage of net sales, decreased 15.7 percentage points to 66.7% in the first half of 2004, compared to 82.4% in the same period of 2003, due primarily to the termination of sales of low-margin other steel products.

Selling, general and administrative expenses, or SG&A, rose to US\$307.4 million, or 16.6% of net sales in the six months ended June 30, 2004, compared to US\$279.2 million, or 16.8% of net sales, during the corresponding period of 2003. An increase in selling expenses associated with increased export sales of welded pipes and higher

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freight costs largely offset a reduction of administrative expenses, when expressed as a percentage of net sales.

Net financial expenses totalled US\$19.3 million in the first half of 2004, compared to net financial expenses of US\$33.6 million in the same period of 2003. Net interest expenses increased to US\$12.3 million compared to US\$9.3 million, principally reflecting a higher net debt position, and foreign exchange translation losses decreased to US\$12.7 million from US\$26.2 million.

Equity in earnings of associated companies generated a gain of US\$39.7 million in the first half of 2004, compared to a gain of US\$5.6 million in the first half of 2003. This reflected the performance of our indirect investments in Sidor, whose results have benefited from strong global demand and prices for steel products.

Income tax provisions of US\$100.0 million were recorded during the first half of 2004, compared to income tax provisions of US\$36.6 million during the corresponding period of 2003. The relatively high tax provisions recorded in the six months reflect strong earnings at our Mexican operations and the effect of adjustments made to preliminary provisions recorded in respect of taxes corresponding to the 2003 annual period.

Cash Flow and Liquidity

Cash and cash equivalents, excluding investments of US\$139.1 million in trust funds to support our Argentine and Brazilian operations, increased by US\$18.4 million to US\$269.0 million during the six months ended June 30, 2004 and total financial debt increased by US\$274.7 million to US\$1,108.4 million from US\$833.7 million at December 31, 2003.

Net cash used in operations during the six months ended June 30, 2004 was US\$82.9 million. Cash flow from operations was affected by a substantial increase in working capital of US\$311.0 million, reflecting a net increase in trade receivables less customer advances and trade payables of US\$167.0 million, an increase in inventories of US\$84.8 million and the payment of the first instalment of the liability towards the consortium led by BHP Billiton Petroleum Ltd. (US\$55.3 million). The increase in trade receivables reflects to higher net sales and the increase in inventories was due to higher costs of production and raw materials. Net cash used in investment activities was US\$57.2 million. Net cash provided by financing activities was US\$158.5 million, which includes the payment of US\$135.1 million in dividends and a net increase of US\$293.6 million in borrowings.

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 Condensed Interim Income Statement

| (All amounts in US\$ thousands) | Three -month period ended June 30, | | Six -month period ended June 30, | |
|------------------------------------|---------------------------------------|-----------|-------------------------------------|-------------|
| | 2004 | 2003 | 2004 | 2003 |
| Net sales | 996,849 | 868,892 | 1,856,195 | 1,658,471 |
| Cost of sales | (677,655) | (604,122) | (1,298,112) | (1,162,656) |

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| | | | | |
|--------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Gross profit | 319,194 | 264,770 | 558,083 | 495,815 |
| Selling, general and administrative expenses | (167,547) | (146,238) | (307,365) | (279,236) |
| Other operating income and expenses | 2,065 | (6,078) | 5,565 | (5,557) |
| Operating income | 153,712 | 112,454 | 256,283 | 211,022 |
| Financial income (expenses), net | (3,885) | (10,892) | (19,323) | (33,583) |
| Income before income tax, equity in earnings of associated companies and minority interest | 149,827 | 101,562 | 236,960 | 177,439 |
| Equity in earnings of associated companies | 40,130 | 14,677 | 39,669 | 5,643 |
| Income before income tax and minority interest | 189,957 | 116,239 | 276,629 | 183,082 |
| Income tax | (60,911) | (18,694) | (99,980) | (36,621) |
| Net income before minority interest | 129,046 | 97,545 | 176,649 | 146,461 |
| Minority interest | (1,732) | (7,870) | (967) | (11,274) |
| Net income | 127,314 | 89,675 | 175,682 | 135,187 |

Consolidated Condensed Interim Balance Sheet

| | June 30, 2004 | | December 31, 2003 | |
|-------------------------------------|---------------|-----------|-------------------|-----------|
| (All amounts in US\$ thousands) | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment, net | 1,889,604 | | 1,960,314 | |
| Intangible assets, net | 57,619 | | 54,037 | |
| Investments in associated companies | 68,941 | | 45,814 | |
| Other investments | 23,240 | | 23,155 | |
| Deferred tax assets | 129,788 | | 130,812 | |
| Receivables | 57,687 | 2,226,879 | 59,521 | 2,273,653 |
| Current assets | | | | |
| Inventories | 916,653 | | 831,879 | |
| Receivables and prepayments | 178,058 | | 165,134 | |
| Trade receivables | 871,183 | | 652,782 | |
| Other investments | 139,051 | | 138,266 | |
| Cash and cash equivalents | 268,969 | 2,373,914 | 247,834 | 2,035,895 |
| Total assets | | 4,600,793 | | 4,309,548 |
| Equity and Liabilities | | | | |

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|------------------------------|---------|-----------|---------|-----------|
| Shareholders' equity | | 1,859,365 | | 1,841,280 |
| Minority interest | | 114,334 | | 119,984 |
| Non-current liabilities | | | | |
| Borrowings | 397,440 | | 374,779 | |
| Deferred tax liabilities | 396,804 | | 418,333 | |
| Other liabilities | 200,468 | | 191,540 | |
| Provisions | 29,879 | | 23,333 | |
| Trade payables | 11,265 | 1,035,856 | 11,622 | 1,019,607 |
| Current liabilities | | | | |
| Borrowings | 710,957 | | 458,872 | |
| Current tax liabilities | 120,192 | | 108,071 | |
| Other liabilities | 162,037 | | 207,594 | |
| Provisions | 32,116 | | 39,624 | |
| Customers advances | 77,747 | | 54,721 | |
| Trade payables | 488,189 | 1,591,238 | 459,795 | 1,328,677 |
| Total liabilities | | 2,627,094 | | 2,348,284 |
| Total equity and liabilities | | 4,600,793 | | 4,309,548 |

Consolidated Condensed Interim Cash Flow Statement

| (All amounts in US\$ thousands) | Three-month period ended June 30, | | Six-month period ended June 30, | |
|------------------------------------------------------------|-----------------------------------|-----------|---------------------------------|----------|
| | 2004 | 2003 | 2004 | 2003 |
| Net income for the period | 127,314 | 89,675 | 175,682 | 135,187 |
| Depreciation and amortization | 48,005 | 50,620 | 101,829 | 98,487 |
| Tax accruals less payments | 18,430 | (88,418) | 8,110 | (84,080) |
| Equity in earnings of associated companies | (40,130) | (14,677) | (39,669) | (5,643) |
| Interest accruals less payments | (1,442) | (2,788) | (2,993) | (362) |
| Net provisions | 106 | 4,151 | (962) | 7,354 |
| Minority interest | 1,732 | 7,870 | 967 | 11,274 |
| Change in working capital | (136,040) | (126,346) | (311,021) | (73,931) |
| Currency translation adjustment and others | (11,366) | 20,812 | (14,843) | 10,677 |
| Net cash provided by (used in) operations | 6,609 | (59,101) | (82,900) | 98,963 |
| Capital expenditure | (42,871) | (45,022) | (82,783) | (88,633) |
| Acquisitions of subsidiaries and associates | (379) | (22,533) | (188) | (42,546) |
| Cash advanced for the Dalmine tender offer | - | (21,382) | - | (21,382) |
| Proceeds from disposition of property, plant and equipment | 2,450 | 906 | 8,969 | 1,564 |
| Proceeds from associated companies | - | 106 | - | 106 |
| Convertible loan to | | | | |

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|--------------------------------------------------------------|-----------|-----------|-----------|-----------|
| associated companies | - | (31,128) | - | (31,128) |
| Dividends received | 16,802 | - | 16,802 | - |
| Net cash used in investment activities | (23,998) | (119,053) | (57,200) | (182,019) |
| Dividends paid | (135,053) | (115,002) | (135,053) | (115,002) |
| Dividends paid to minority interest in subsidiaries | (23) | (3,499) | (23) | (3,499) |
| Proceeds from borrowings | 223,069 | 143,145 | 370,763 | 227,638 |
| Repayments of borrowings | (25,681) | (89,295) | (77,152) | (183,669) |
| Net cash provided by (used in) financing activities | 62,312 | (64,651) | 158,535 | (74,532) |
| Increase (decrease) in cash and cash equivalents | 44,923 | (242,805) | 18,435 | (157,588) |
| Cash and cash equivalents at the beginning of the period, | 220,968 | 390,051 | 247,834 | 304,536 |
| Effect of exchange rate changes on cash and cash equivalents | 3,078 | 1,717 | 2,700 | 2,015 |
| Increase (decrease) in cash and cash equivalents | 44,923 | (242,805) | 18,435 | (157,588) |
| Cash at the end of the period | 268,969 | 148,963 | 268,969 | 148,963 |

CONTACT: Tenaris
Nigel Worsnop, 1-888-300-5432
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 6, 2004

Tenaris, S.A.

By: /s/ Cecilia Bilesio

Cecilia Bilesio
Corporate Secretary