

Edgar Filing: TENARIS SA - Form 6-K

TENARIS SA
Form 6-K
November 08, 2007

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 November 08, 2007

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
 ----- -----

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 X
 ----- -----

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 2007 Third Quarter 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.

Edgar Filing: TENARIS SA - Form 6-K

Date: November 08, 2007

Tenaris, S.A.

By: /s/ Cecilia Bilesio

Cecilia Bilesio
Corporate Secretary

Nigel Worsnop
Tenaris
1-888-300-5432
www.tenaris.com

Tenaris Announces 2007 Third Quarter Results

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.

LUXEMBOURG, Nov. 7, 2007 - Tenaris S.A. (NYSE, Buenos Aires and Mexico: TS and MTA Italy: TEN) ("Tenaris") today announced its results for the quarter and nine months ended September 30, 2007 with comparison to its results for the quarter and nine months ended September 30, 2006.

Summary of 2007 Third Quarter Results

(Comparison with second quarter of 2007 and third quarter of 2006)

| | Q3 2007 | Q2 2007 | | Q3 2006 | |
|---|---------|---------|-------|---------|-------|
| Net sales (US\$ million) | 2,523.6 | 2,604.2 | (3%) | 1,803.6 | 40% |
| Operating income (US\$ million) | 687.3 | 780.4 | (12%) | 692.8 | (1%) |
| Net income (US\$ million) | 436.4 | 534.5 | (18%) | 510.0 | (14%) |
| Shareholders' net income (US\$ million) | 401.0 | 496.0 | (19%) | 479.1 | (16%) |
| Earnings per ADS (US\$) | 0.68 | 0.84 | (19%) | 0.81 | (16%) |
| Earnings per share (US\$) | 0.34 | 0.42 | (19%) | 0.41 | (16%) |
| EBITDA (US\$ million) | 828.2 | 910.7 | (9%) | 749.0 | 11% |
| EBITDA margin (% of net sales) | 33% | 35% | | 42% | |

Our results in the third quarter were affected by a lower level of sales of seamless pipe products and higher production costs. On a comparable basis, sales of API-grade products were lower year on year in the Middle East, following the inventory build-up that took place last year, as well as in Canada. Although net sales were up 40% year on year, operating income was flat and earnings per share were down. Sales are expected to recover only partially in the fourth quarter before growing again in the first half of 2008. Free cash flow (net cash provided by operations less capital expenditures) rose to US\$784.3 million, and net financial debt (total financial debt less cash and other current investments) declined by US\$718.2 million to US\$3,043.5 million at September 30, 2007.

Payment of Interim Dividend

Tenaris's board of directors approved the payment of an interim dividend of US\$0.13 per share (US\$0.26 per ADS), or approximately US\$153 million, on

Edgar Filing: TENARIS SA - Form 6-K

November 22, 2007, with an ex-dividend date of November 19.

Market Background and Outlook

After fluctuating in the first quarter of 2007, oil prices have resumed the upwards trend shown in the previous three years as global demand projections have been revised upwards and geopolitical tensions have risen in the Middle East. On the other hand, North American gas prices, which fell sharply from the highs reached in the first half of 2006, have fluctuated at lower levels for most of the year to date as the amount of gas in storage has remained at the higher end of its seasonal range. The international count of active drilling rigs, as published by Baker Hughes, continues to rise and averaged 1020 during the third quarter, an increase of 2% over the previous quarter and one of 8% compared to the same quarter of the previous year. In Canada, however, where drilling activity is sensitive to North American gas prices and drilling costs have been rising in U.S. dollar terms, the rig count registered a 30% decline in the third quarter of 2007 compared to the same quarter of 2006, and is now down 29% for the first nine months of 2007 compared to the same period of 2006. The U.S. rig count remained stable showing a 2% increase during the third quarter of 2007 compared to the second quarter of 2007 and was up 4% compared to the third quarter of 2006.

Although a recovery in Canadian drilling activity remains uncertain, drilling activity in the rest of the world is firm as oil and gas prices encourage operators to continue increasing investments in exploration and production activity. However, in North America demand for OCTG products in 2007 has been affected by distributor inventory destocking which could continue until the end of the year. In the Middle East, apparent consumption of OCTG products is, and is likely to remain, lower in the second half of this year.

Steelmaking raw material and energy costs have risen in 2007 and look set to rise further in 2008. Labor costs have also been rising primarily due to currency-related factors. In the first half of 2007, cost increases and price declines for some of our products were offset by improvements in product mix. However, in the third quarter, our operating margins declined as production costs continued to rise and we had a less favorable product mix. Our operating margins are likely to remain under pressure for the rest of the year before recovering in the first half of 2008 when we expect increased sales of our specialized, high-end products.

Sales of our pipes for pipeline projects in South America picked up at the end of the first quarter of 2007 as we commenced deliveries to the GASCAC phase of the GASENE project in Brazil. Sales in this segment are expected to remain strong during the remainder of 2007 and into 2008 as we make deliveries to this and other projects in the region.

Analysis of 2007 Third Quarter Results

| Sales volume (metric tons) | Q3 2007 | Q3 2006 | Increase/(Decrease) |
|----------------------------|-----------|---------|---------------------|
| Tubes - Seamless | 659,000 | 709,000 | (7%) |
| Tubes - Welded | 240,000 | 13,000 | |
| Tubes - Total | 899,000 | 722,000 | 25% |
| Projects - Welded | 127,000 | 56,000 | 127% |
| Total | 1,026,000 | 778,000 | 32% |

| Tubes (Net sales - \$ million) | Q3 2007 | Q3 2006 | Increase/(Decrease) |
|-----------------------------------|---------|---------|---------------------|
|-----------------------------------|---------|---------|---------------------|

Edgar Filing: TENARIS SA - Form 6-K

| | | | |
|-------------------------------|---------|---------|------|
| North America | 744.1 | 368.2 | 102% |
| South America | 310.6 | 258.2 | 20% |
| Europe | 360.3 | 316.1 | 14% |
| Middle East & Africa | 471.7 | 477.4 | (1%) |
| Far East & Oceania | 175.9 | 175.1 | 0% |
| Total net sales (\$ million) | 2,062.6 | 1,595.0 | 29% |
| Cost of sales (% of sales) | 54% | 45% | |
| Operating income (\$ million) | 615.5 | 660.7 | (7%) |
| Operating income (% of sales) | 30% | 41% | |

Net sales of tubular products and services rose 29% to US\$2,062.6 million in the third quarter of 2007, compared to US\$1,595.0 million in the third quarter of 2006, due primarily to the incorporation of sales from the former Maverick and Hydril operations. On a like for like basis, average selling prices rose largely due to product mix improvements but sales volumes declined reflecting lower demand principally in the Middle East and Canada. In North America, sales were affected by the decline in drilling activity in Canada, but sales of OCTG products increased in Mexico. In South America, sales benefited from a recovery in demand for OCTG products in Venezuela. In the Middle East and Africa, higher sales on specialized, high-end products were offset by lower sales of API products.

| Projects | Q3 2007 | Q3 2006 | Increase/ (Decrease) |
|-------------------------------|---------|---------|----------------------|
| Net sales (\$ million) | 235.6 | 80.1 | 194% |
| Cost of sales (% of sales) | 72% | 78% | |
| Operating income (\$ million) | 42.0 | 1.7 | |
| Operating income (% of sales) | 18% | 2% | |

Net sales of pipes for pipeline projects increased 194% to US\$235.6 million in the third quarter of 2007, compared to US\$80.1 million in the third quarter of 2006, reflecting higher sales in Brazil where we continued deliveries for the GASCAC phase of the GASENE project and in Argentina where we made some deliveries for the delayed Loops project.

| Pressure Control | Q3 2007 |
|-------------------------------|---------|
| Net sales (\$ million) | 89.8 |
| Cost of sales (% of sales) | 68% |
| Operating income (\$ million) | 15.6 |
| Operating income (% of sales) | 17% |

Net sales of pressure control products amounted to US\$89.8 million in this first complete quarter since we acquired the business. This compares to US\$49.2 million in the two months reported in the second quarter of 2007.

| Others | Q3 2007 | Q3 2006 | Increase/ (Decrease) |
|-------------------------------|---------|---------|----------------------|
| Net sales (\$ million) | 135.6 | 128.6 | 5% |
| Cost of sales (% of sales) | 73% | 63% | |
| Operating income (\$ million) | 14.2 | 30.4 | (53%) |
| Operating income (% of sales) | 10% | 24% | |

Net sales of other products and services rose 5% to US\$135.6 million in the third quarter of 2007, compared to US\$128.6 million in the third quarter of 2006.

Selling, general and administrative expenses, or SG&A, increased as a percentage of net sales to 15.9% in the quarter ended September 30, 2007 compared to 13.5% in the corresponding quarter of 2006 due primarily to an increase in

Edgar Filing: TENARIS SA - Form 6-K

amortization expenses following the incorporation of Maverick and Hydril. Amortization of customer relationships and other intangibles acquired with Maverick and Hydril amounted to US\$64 million in the quarter, or 2.5% of net sales.

Net interest expenses rose to US\$57.1 million in the third quarter of 2007 compared to net interest income of US\$2.2 million in the same period of 2006 reflecting an increased net debt position following the Maverick and Hydril acquisitions.

Other financial results recorded a loss of US\$12.9 million during the third quarter of 2007, compared to a loss of US\$6.5 million during the third quarter of 2006. These results largely reflect gains and losses on net foreign exchange transactions and the fair value of derivative instruments and are to a large extent offset by changes to our net equity position. They arise due to the fact that most 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\$18.3 million in the third quarter of 2007, compared to a gain of US\$29.7 million in the third quarter of 2006. These gains were derived mainly from our equity investment in Ternium.

Income tax charges totalled US\$199.2 million in the third quarter of 2007, equivalent to 32% of income before equity in earnings of associated companies and income tax, compared to US\$210.5 million in the third quarter of 2006, equivalent to 31% of income before equity in earnings of associated companies and income tax.

Income attributable to minority interest rose to US\$35.4 million in the third quarter of 2007, compared to US\$30.9 million in the corresponding quarter of 2006 primarily reflecting higher operating and financial results at our Confab subsidiary.

Cash Flow and Liquidity

Net cash provided by operations during the third quarter of 2007 was US\$889.8 million (US\$1,789.1 million in the first nine months), compared to US\$598.1 million in the third quarter of 2006 (US\$1,312.2 million in the first nine months). Working capital decreased by US\$220.0 million during the third quarter reflecting a decrease in trade receivables and an increase in customer advances.

Capital expenditures amounted to US\$105.4 million in the third quarter of 2007 (US\$334.6 million in the first nine months), compared to US\$133.0 million in the third quarter of 2006 (US\$302.1 million in the first nine months).

During the first nine months of 2007, total financial debt increased by US\$1,258.5 million to US\$4,909.7 million at September 30, 2007 from US\$3,651.2 million at December 31, 2006. Net financial debt during the first nine months of 2007 increased by US\$948.2 million to US\$3,043.5 million at September 30, 2007 following the acquisition of Hydril for a total consideration of \$2.0 billion.

Analysis of 2007 First Nine Months Results

Net income attributable to equity holders in the company during the first nine months of 2007 was US\$1,377.2 million, or US\$1.17 per share (US\$2.33 per ADS), which compares with net income attributable to equity holders in the company during the first nine months of 2006 of US\$1,370.6 million, or US\$1.16 per share (US\$2.32 per ADS). Operating income was US\$2,225.3 million, or 29% of net sales, compared to US\$1,979.9 million, or 38% of net sales. Operating income plus

Edgar Filing: TENARIS SA - Form 6-K

depreciation and amortization was US\$2,597.0 million, or 34% of net sales, compared to US\$2,146.0 million, or 41% of net sales.

| Sales volume (metric tons) | 9M 2007 | 9M 2006 | Increase/ (Decrease) |
|----------------------------|-----------|-----------|----------------------|
| Tubes - Seamless | 2,156,000 | 2,188,000 | (1%) |
| Tubes - Welded | 706,000 | 33,000 | |
| Tubes - Total | 2,862,000 | 2,221,000 | 29% |
| Projects - Welded | 317,000 | 184,000 | 72% |
| Total | 3,179,000 | 2,405,000 | 32% |

| Tubes | 9M 2007 | 9M 2006 | Increase/ (Decrease) |
|-------------------------------|---------|---------|----------------------|
| (Net sales - \$ million) | | | |
| North America | 2,165.7 | 1,222.1 | 77% |
| South America | 897.7 | 715.4 | 25% |
| Europe | 1,200.6 | 951.3 | 26% |
| Middle East & Africa | 1,598.9 | 1,282.3 | 25% |
| Far East & Oceania | 536.8 | 523.3 | 3% |
| Total net sales (\$ million) | 6,399.7 | 4,694.4 | 36% |
| Cost of sales (% of sales) | 51% | 46% | |
| Operating income (\$ million) | 2,057.0 | 1,909.7 | 8% |
| Operating income (% of sales) | 32% | 41% | |

Net sales of tubular products and services rose 36% to US\$6,399.7 million in the first nine months of 2007, compared to US\$4,694.4 million in the first nine months of 2006, due primarily to the incorporation of sales from the former Maverick and Hydril operations. On a like for like basis, average selling prices increased due largely to product mix improvements and volumes registered a marginal decrease.

| Projects | 9M 2007 | 9M 2006 | Increase/ (Decrease) |
|-------------------------------|---------|---------|----------------------|
| Net sales (\$ million) | 560.9 | 281.1 | 100% |
| Cost of sales (% of sales) | 71% | 72% | |
| Operating income (\$ million) | 106.7 | 29.0 | 268% |
| Operating income (% of sales) | 19% | 10% | |

Net sales of pipes for pipeline projects increased 100% to US\$560.9 million in the first nine months of 2007, compared to US\$281.1 million in the first nine months of 2006, reflecting higher sales in Brazil.

| Pressure Control | 9M 2007 |
|-------------------------------|---------|
| Net sales (\$ million) | 139.0 |
| Cost of sales (% of sales) | 65% |
| Operating income (\$ million) | 24.8 |
| Operating income (% of sales) | 18% |

Net sales of pressure control products amounted to US\$139.0 million in the five months since we acquired the business.

| Others | 9M 2007 | 9M 2006 | Increase/ (Decrease) |
|-------------------------------|---------|---------|----------------------|
| Net sales (\$ million) | 453.5 | 291.4 | 56% |
| Cost of sales (% of sales) | 78% | 70% | |
| Operating income (\$ million) | 36.8 | 41.2 | (11%) |
| Operating income (% of sales) | 8% | 14% | |

Edgar Filing: TENARIS SA - Form 6-K

Net sales of other products and services rose 56% to US\$453.5 million in the first nine months of 2007, compared to US\$291.4 million in the first nine months of 2006, primarily reflecting the inclusion of sales of conduit pipes.

Selling, general and administrative expenses, or SG&A, increased as a percentage of net sales to 15.7% in the nine months ended September 30, 2007 compared to 13.4% in the corresponding period of 2006 due primarily to an increase in amortization expenses following the incorporation of Maverick and Hydril. Amortization of customer relationships and other intangibles acquired with Maverick and Hydril amounted to US\$159 million in the nine months.

Net interest expenses rose to US\$140.4 million in the first nine months of 2007 compared to net interest income of US\$1.7 million in the same period of 2006 reflecting an increased net debt position following the Maverick and Hydril acquisitions.

Other financial results recorded a loss of US\$10.8 million during the first nine months of 2007, compared to a gain of US\$8.6 million during the first nine months of 2006. These results largely reflect gains and losses on net foreign exchange transactions and the fair value of derivative instruments and are to a large extent offset by changes to our net equity position. They arise due to the fact that most 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\$73.6 million in the first nine months of 2007, compared to a gain of US\$76.7 million in the first nine months of 2006. These gains were derived mainly from our equity investment in Ternium.

Income tax charges totalled US\$667.4 million in the first nine months of 2007, equivalent to 32% of income before equity in earnings of associated companies and income tax, compared to US\$626.3 million in the first nine months of 2006, equivalent to 31% of income before equity in earnings of associated companies and income tax.

Income attributable to minority interest rose to US\$103.0 million in the first nine months of 2007, compared to US\$76.8 million in the corresponding nine months of 2006 reflecting higher operating and financial results at our Confab and NKK Tubes 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 and gas prices and their impact on investment programs by oil and gas companies.

Consolidated Interim Income Statement

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

| | Three-month period ended September 30, | | Nine-month period ended September 30, | |
|-----------------------|---|------|--|------|
| | 2007 | 2006 | 2007 | 2006 |
| Continuing operations | (unaudited) | | | |

Edgar Filing: TENARIS SA - Form 6-K

| | | | | |
|--|-------------|-----------|-------------|-------------|
| Net sales | 2,523,553 | 1,803,598 | 7,553,058 | 5,266,835 |
| Cost of sales | (1,436,511) | (866,310) | (4,132,567) | (2,585,898) |
| Gross profit | 1,087,042 | 937,288 | 3,420,491 | 2,680,937 |
| Selling, general and administrative expenses | (400,886) | (244,153) | (1,183,664) | (706,935) |
| Other operating income (expense), net | 1,152 | (359) | (11,508) | 5,946 |
| Operating income | 687,308 | 692,776 | 2,225,319 | 1,979,948 |
| Interest income | 22,666 | 17,687 | 65,065 | 43,303 |
| Interest expense | (79,770) | (15,482) | (205,493) | (41,558) |
| Other financial results | (12,900) | (6,483) | (10,822) | 8,601 |
| Income before equity in earnings of associated companies and income tax | 617,304 | 688,498 | 2,074,069 | 1,990,294 |
| Equity in earnings of associated companies | 18,280 | 29,653 | 73,585 | 76,725 |
| Income before income tax | 635,584 | 718,151 | 2,147,654 | 2,067,019 |
| Income tax | (199,220) | (210,533) | (667,410) | (626,298) |
| Income for continuing operations | 436,364 | 507,618 | 1,480,244 | 1,440,721 |
| Discontinued operations | | | | |
| Income for discontinued operations | 0 | 2,338 | 0 | 6,689 |
| Income for the period | 436,364 | 509,956 | 1,480,244 | 1,447,410 |
| Attributable to: | | | | |
| Equity holders of the Company | 400,952 | 479,105 | 1,377,206 | 1,370,564 |
| Minority interest | 35,412 | 30,851 | 103,038 | 76,846 |
| | 436,364 | 509,956 | 1,480,244 | 1,447,410 |
| Earnings per share attributable to the equity holders of the Company during the period | | | | |
| Weighted average number of ordinary shares in issue (thousands) | 1,180,537 | 1,180,537 | 1,180,537 | 1,180,537 |
| Earnings per share (U,S, dollars per share) | 0.34 | 0.41 | 1.17 | 1.16 |
| Earnings per ADS (U,S, dollars per ADS) | 0.68 | 0.81 | 2.33 | 2.32 |

Consolidated Interim Balance Sheet

At September 30, 2007 At December 31, 2006

Edgar Filing: TENARIS SA - Form 6-K

(Unaudited)

ASSETS

Non-current assets

| | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|
| Property, plant and equipment, net | 3,286,163 | | 2,939,241 | |
| Intangible assets, net | 4,900,650 | | 2,844,498 | |
| Investments in associated companies | 487,662 | | 422,958 | |
| Other investments | 43,912 | | 26,834 | |
| Deferred tax assets | 337,807 | | 291,641 | |
| Receivables | 56,067 | 9,112,261 | 41,238 | 6,566,410 |

Current assets

| | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|
| Inventories | 2,642,851 | | 2,372,308 | |
| Receivables and prepayments | 234,040 | | 272,632 | |
| Current tax assets | 221,713 | | 202,718 | |
| Trade receivables | 1,717,578 | | 1,625,241 | |
| Non current assets held for sale | 10,128 | | 0 | |
| Other investments | 214,446 | | 183,604 | |
| Cash and cash equivalents | 1,651,780 | 6,692,536 | 1,372,329 | 6,028,832 |

Total assets 15,804,797 12,595,242

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 | |
| Currency translation adjustments | 230,441 | | 3,954 | |
| Other reserves | 20,528 | | 28,757 | |
| Retained earnings | 4,420,629 | 6,579,922 | 3,397,584 | 5,338,619 |

Minority interest 477,759 363,011

Total equity 7,057,681 5,701,630

LIABILITIES

Non-current liabilities

| | | | | |
|--------------------------|-----------|-----------|-----------|-----------|
| Borrowings | 3,769,956 | | 2,857,046 | |
| Deferred tax liabilities | 1,360,203 | | 991,945 | |
| Other liabilities | 204,151 | | 186,724 | |
| Provisions | 91,199 | | 92,027 | |
| Trade payables | 31 | 5,425,540 | 366 | 4,128,108 |

Current liabilities

| | | | | |
|-------------------------|-----------|-----------|---------|-----------|
| Borrowings | 1,139,789 | | 794,197 | |
| Current tax liabilities | 441,200 | | 565,985 | |
| Other liabilities | 302,347 | | 187,701 | |
| Provisions | 25,354 | | 26,645 | |
| Customer advances | 601,788 | | 352,717 | |
| Trade payables | 811,098 | 3,321,576 | 838,259 | 2,765,504 |

Total liabilities 8,747,116 6,893,612

Total equity and liabilities

15,804,797 12,595,242

Edgar Filing: TENARIS SA - Form 6-K

Consolidated Interim Cash Flow Statement

| (all amounts in thousands of U.S. dollars) | Three-month period ended September 30, | | Nine-month period ended September 30, | |
|---|---|-----------|--|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| | ----- (Unaudited) | | ----- (Unaudited) | |
| Cash flows from operating activities | | | | |
| Income for the period | 436,364 | 509,956 | 1,480,244 | 1,447,410 |
| Adjustments for: | | | | |
| Depreciation and amortization | 140,876 | 56,218 | 371,647 | 166,008 |
| Income tax accruals less payments | 29,211 | 92,107 | (220,582) | 1,947 |
| Equity in earnings of associated companies | (18,280) | (29,653) | (73,585) | (76,725) |
| Interest accruals less payments, net | 58,654 | 2,920 | 63,519 | 1,456 |
| Income from disposal of investments | - | - | - | (6,933) |
| Changes in provisions | (799) | 2,676 | (4,279) | 8,207 |
| Changes in working capital | 220,034 | (31,113) | 94,669 | (250,654) |
| Other, including currency translation adjustment | 23,695 | (5,025) | 77,498 | 21,447 |
| | ----- | | ----- | |
| Net cash provided by operating activities | 889,755 | 598,086 | 1,789,131 | 1,312,163 |
| | ----- | | ----- | |
| Cash flows from investing activities | | | | |
| Capital expenditures | (105,419) | (132,976) | (334,568) | (302,077) |
| Acquisitions of subsidiaries and minority interest | (45) | (718) | (1,927,227) | (39,828) |
| Other disbursements relating to the acquisition of Hydril | - | - | (71,580) | - |
| Decrease in subsidiaries | - | - | (1,195) | - |
| Proceeds from disposal of property, plant and equipment and intangible assets | 2,327 | 13,180 | 6,923 | 16,568 |
| Dividends received | - | - | 11,496 | - |
| Changes in restricted bank deposits | - | 1,400 | - | 2,027 |
| Investments in short terms securities | (45,035) | 161,786 | (30,842) | (14,744) |
| | ----- | | ----- | |
| Net cash (used in) provided by investing activities | (148,172) | 42,672 | (2,346,993) | (338,054) |
| | ----- | | ----- | |
| Cash flows from financing activities | | | | |
| Dividends paid | - | - | (354,161) | (204,233) |
| Dividends paid to minority interest in subsidiaries | (5,393) | (3,620) | (45,315) | (19,621) |

Edgar Filing: TENARIS SA - Form 6-K

| | | | | |
|---|------------------|-----------|------------------|-----------|
| Proceeds from borrowings | 243,937 | 59,282 | 2,451,963 | 293,845 |
| Repayments of borrowings | (228,611) | (173,169) | (1,247,324) | (443,328) |
| ----- | | | | |
| Net cash provided by (used in) financing activities | 9,933 | (117,507) | 805,163 | (373,337) |
| ----- | | | | |
| Increase in cash and cash equivalents | 751,516 | 523,251 | 247,301 | 600,772 |
| | | | | |
| Movement in cash and cash equivalents | | | | |
| At beginning of the period | 883,042 | 752,259 | 1,365,008 | 680,591 |
| Effect of exchange rate changes | 13,996 | 902 | 36,245 | (4,951) |
| Increase in cash and cash equivalents | 751,516 | 523,251 | 247,301 | 600,772 |
| At September 30, | 1,648,554 | 1,276,412 | 1,648,554 | 1,276,412 |
| | | | | |
| | At September 30, | | At September 30, | |
| ----- | | | | |
| Cash and cash equivalents | 2007 | 2006 | 2007 | 2006 |
| Cash and bank deposits | 1,651,780 | 1,295,184 | 1,651,780 | 1,295,184 |
| Bank overdrafts | (3,205) | (18,751) | (3,205) | (18,751) |
| Restricted bank deposits | (21) | (21) | (21) | (21) |
| | 1,648,554 | 1,276,412 | 1,648,554 | 1,276,412 |
| | | | | |
| Non-cash financing activity | | | | |
| Conversion of debt to equity in subsidiaries | - | - | 35,140 | - |