

TENARIS SA
Form 6-K
August 03, 2017

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 2, 2017

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 Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12G3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

Edgar Filing: TENARIS SA - Form 6-K

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.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017.

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 2, 2017.

Tenaris, S.A.

By: /s/ Cecilia Bilesio
Cecilia Bilesio
Corporate Secretary

TENARIS S.A.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

June 30, 2017

29, Avenue de la Porte-Neuve – 3rd Floor.
L - 2227 Luxembourg
R.C.S. Luxembourg: B 85 203

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT

| (all amounts in thousands of U.S. dollars, unless otherwise stated) | Notes | Three-month period ended June 30, | | Six-month period ended June 30, | |
|--|-------|-----------------------------------|------------|---------------------------------|--------------|
| | | 2017 | 2016 | 2017 | 2016 |
| Continuing operations | | (Unaudited) | | (Unaudited) | |
| Net sales | 3 | 1,242,804 | 1,054,917 | 2,396,664 | 2,261,267 |
| Cost of sales | 4 | (865,729) | (779,623) | (1,689,585) | (1,676,685) |
| Gross profit | | 377,075 | 275,294 | 707,079 | 584,582 |
| Selling, general and administrative expenses | 5 | (327,132) | (333,160) | (621,563) | (612,008) |
| Other operating income (expense), net | | 1,547 | (3,644) | 1,988 | (4,774) |
| Operating income (loss) | | 51,490 | (61,510) | 87,504 | (32,200) |
| Finance Income | 6 | 11,059 | 24,212 | 23,986 | 44,107 |
| Finance Cost | 6 | (6,020) | (4,814) | (11,958) | (9,118) |
| Other financial results | 6 | (20,667) | (9,830) | (32,082) | (39,928) |
| Income (loss) before equity in earnings of non-consolidated companies and income tax | | 35,862 | (51,942) | 67,450 | (37,139) |
| Equity in earnings of non-consolidated companies | | 30,201 | 18,612 | 65,401 | 30,339 |
| Income (loss) before income tax | | 66,063 | (33,330) | 132,851 | (6,800) |
| Income tax | | 7,357 | 10,416 | 54,602 | 3,975 |
| Income (loss) for continuing operations | | 73,420 | (22,914) | 187,453 | (2,825) |
| Discontinued operations | | | | | |
| Result for discontinued operations | 13 | - | 13,737 | 91,542 | 21,598 |
| Income (loss) for the period | | 73,420 | (9,177) | 278,995 | 18,773 |
| Attributable to: | | | | | |
| Owners of the parent | | 74,524 | (13,266) | 279,651 | 4,895 |
| Non-controlling interests | | (1,104) | 4,089 | (656) | 13,878 |
| | | 73,420 | (9,177) | 278,995 | 18,773 |
| Earnings per share attributable to the owners of the parent during the period: | | | | | |
| Weighted average number of ordinary shares (thousands) | | 1,180,537 | 1,180,537 | 1,180,537 | 1,180,537 |
| Continuing operations | | | | | |
| Basic and diluted earnings (loss) per share (U.S. dollars per share) | | 0.06 | (0.02) | 0.16 | (0.01) |
| Basic and diluted earnings (loss) per ADS (U.S. dollars per ADS) (1) | | 0.13 | (0.05) | 0.32 | (0.03) |
| Continuing and discontinued operations | | | | | |
| Basic and diluted earnings (loss) per share (U.S. dollars per share) | | 0.06 | (0.01) | 0.24 | - |
| Basic and diluted earnings (loss) per ADS (U.S. dollars per ADS) (1) | | 0.13 | (0.02) | 0.47 | 0.01 |

(1) Each ADS equals two shares.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Edgar Filing: TENARIS SA - Form 6-K

| (all amounts in thousands of U.S. dollars) | Three-month | | Six-month period | |
|--|---|----------|---------------------------------------|----------|
| | period ended June 30, 2017 (Unaudited) | 2016 | ended June 30, 2017 (Unaudited) | 2016 |
| Income (loss) for the period | 73,420 | (9,177) | 278,995 | 18,773 |
| Items that may be subsequently reclassified to profit or loss: | | | | |
| Currency translation adjustment | 62,347 | 11,769 | 90,297 | 102,463 |
| Change in value of cash flow hedges | 8,239 | 450 | 12,066 | (5,734) |
| Income tax relating to components of other comprehensive income | - | - | 23 | - |
| Share of other comprehensive income of non-consolidated companies: | | | | |
| - Currency translation adjustment | (8,593) | 14,652 | (3,862) | 8,005 |
| - Changes in the fair value of derivatives held as cash flow hedges and others | 4,662 | (394) | 4,652 | (796) |
| | 66,655 | 26,477 | 103,176 | 103,938 |
| Items that will not be reclassified to profit or loss: | | | | |
| Remeasurements of post employment benefit obligations | 605 | 1,433 | 605 | 1,433 |
| Income tax on items that will not be reclassified | (219) | (763) | (219) | (763) |
| Remeasurements of post employment benefit obligations of non-consolidated companies | (134) | | 1,461 | |
| | 252 | 670 | 1,847 | 670 |
| Other comprehensive Income for the period, net of tax | 66,907 | 27,147 | 105,023 | 104,608 |
| Total comprehensive income for the period | 140,327 | 17,970 | 384,018 | 123,381 |
| Attributable to: | | | | |
| Owners of the parent | 141,090 | 14,032 | 384,287 | 109,388 |
| Non-controlling interests | (763) | 3,938 | (269) | 13,993 |
| | 140,327 | 17,970 | 384,018 | 123,381 |
| Total comprehensive Income for the year attributable to Owners of the parent arises from | | | | |
| Continuing operations | 141,090 | 295 | 292,745 | 87,790 |
| Discontinued operations | - | 13,737 | 91,542 | 21,598 |
| | 141,090 | 14,032 | 384,287 | 109,388 |

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2016.

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

| (all amounts in thousands of U.S. dollars) | | At June 30, 2017 | | At December 31, 2016 | |
|---|-------|------------------|------------|----------------------|------------|
| | Notes | (Unaudited) | | | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment, net | 8 | 6,124,342 | | 6,001,939 | |
| Intangible assets, net | 9 | 1,761,686 | | 1,862,827 | |
| Investments in non-consolidated companies | 12 | 601,712 | | 557,031 | |
| Available for sale assets | | 21,572 | | 21,572 | |
| Other investments | 10 | 284,738 | | 249,719 | |
| Deferred tax assets | | 149,849 | | 144,613 | |
| Receivables, net | | 198,233 | 9,142,132 | 197,003 | 9,034,704 |
| Current assets | | | | | |
| Inventories, net | | 1,988,820 | | 1,563,889 | |
| Receivables and prepayments, net | | 186,950 | | 124,715 | |
| Current tax assets | | 180,624 | | 140,986 | |
| Trade receivables, net | | 1,024,453 | | 954,685 | |
| Other investments | 10 | 1,431,881 | | 1,633,142 | |
| Cash and cash equivalents | 10 | 271,224 | 5,083,952 | 399,737 | 4,817,154 |
| Assets of disposal group classified as held for sale | 13 | - | | 151,417 | |
| Total assets | | | 14,226,084 | | 14,003,275 |
| EQUITY | | | | | |
| Capital and reserves attributable to owners of the parent | | | 11,341,154 | | 11,287,417 |
| Non-controlling interests | | | 106,155 | | 125,655 |
| Total equity | | | 11,447,309 | | 11,413,072 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | | 32,015 | | 31,542 | |
| Deferred tax liabilities | | 536,157 | | 550,657 | |
| Other liabilities | | 220,176 | | 213,617 | |
| Provisions | | 42,914 | 831,262 | 63,257 | 859,073 |
| Current liabilities | | | | | |
| Borrowings | | 820,850 | | 808,694 | |
| Current tax liabilities | | 97,818 | | 101,197 | |
| Other liabilities | | 215,587 | | 183,887 | |
| Provisions | | 23,179 | | 22,756 | |
| Customer advances | | 80,334 | | 39,668 | |
| Trade payables | | 709,745 | 1,947,513 | 556,834 | 1,713,036 |
| Liabilities of disposal group classified as held for sale | 13 | - | | 18,094 | |
| Total liabilities | | | 2,778,775 | | 2,590,203 |
| Total equity and liabilities | | | 14,226,084 | | 14,003,275 |

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2016.

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

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

| | Attributable to owners of the parent | | | | | | Total | Non-controlling interests | |
|--|--------------------------------------|----------------|---------------|-------------------------------------|--------------------|-----------------------|------------|---------------------------|-------------------|
| | Share Capital (1) | Legal Reserves | Share Premium | Currency Translation Adjustment (2) | Other Reserves (2) | Retained Earnings (3) | | interests | Total (Unaudited) |
| Balance at December 31, 2016 | 1,180,537 | 118,054 | 609,733 | (965,955) | (313,088) | 10,658,136 | 11,287,417 | 125,655 | 11,413,072 |
| Income (loss) for the period | - | - | - | - | - | 279,651 | 279,651 | (656) | 278,995 |
| Currency translation adjustment | - | - | - | 89,886 | - | - | 89,886 | 411 | 90,297 |
| Remeasurements of post employment benefit obligations, net of taxes | - | - | - | - | 386 | - | 386 | - | 386 |
| Change in value of available for sale financial instruments and cash flow hedges, net of taxes | - | - | - | - | 12,113 | - | 12,113 | (24) | 12,089 |
| Share of other comprehensive income of non-consolidated companies | - | - | - | (3,862) | 6,113 | - | 2,251 | - | 2,251 |
| Other comprehensive income for the period | - | - | - | 86,024 | 18,612 | - | 104,636 | 387 | 105,023 |
| Total comprehensive income (loss) for the period | - | - | - | 86,024 | 18,612 | 279,651 | 384,287 | (269) | 384,018 |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | (31) | (31) |
| Dividends paid in cash | - | - | - | - | - | (330,550) | (330,550) | (19,200) | (349,750) |
| | 1,180,537 | 118,054 | 609,733 | (879,931) | (294,476) | 10,607,237 | 11,341,154 | 106,155 | 11,447,309 |

Edgar Filing: TENARIS SA - Form 6-K

Balance at June
30, 2017

| | Attributable to owners of the parent | | | | | | Total | Non-controlling interests | Total (Unaudi |
|---|--------------------------------------|-------------------|------------------|---------------------------------------|--------------------------|-----------------------------|------------|------------------------------|------------------|
| | Share Capital (1) | Legal Reserves | Share Premium | Currency Translation Adjustment | Other Reserves (2) | Retained Earnings (3) | | | |
| Balance at December 31, 2015 | 1,180,537 | 118,054 | 609,733 | (1,006,767) | (298,682) | 11,110,469 | 11,713,344 | 152,712 | 11,866, |
| Income for the period | - | - | - | - | - | 4,895 | 4,895 | 13,878 | 18,773 |
| Currency translation adjustment | - | - | - | 102,348 | - | - | 102,348 | 115 | 102,463 |
| Remeasurements of post employment benefit obligations, net of taxes | - | - | - | - | 670 | - | 670 | - | 670 |
| Change in value of available for sale financial instruments and cash flow hedges, net of taxes | - | - | - | - | (5,734) | - | (5,734) | - | (5,734) |
| Share of other comprehensive income of non-consolidated companies | - | - | - | 8,005 | (796) | - | 7,209 | - | 7,209 |
| Other comprehensive income for the period | - | - | - | 110,353 | (5,860) | - | 104,493 | 115 | 104,608 |
| Total comprehensive income for the period | - | - | - | 110,353 | (5,860) | 4,895 | 109,388 | 13,993 | 123,381 |
| Acquisition of non-controlling interests | - | - | - | - | (5) | - | (5) | (472) | (477) |
| Dividends paid in cash | - | - | - | - | - | (354,161) | (354,161) | (4,311) | (358,472) |
| Balance at June 30, 2016 | 1,180,537 | 118,054 | 609,733 | (896,414) | (304,547) | 10,761,203 | 11,468,566 | 161,922 | 11,630, |

(1) The Company has an authorized share capital of a single class of 2.5 billion shares having a nominal value of USD1.00 per share. As of June 30, 2017 and 2016 there were 1,180,536,830 shares issued. All issued shares are fully

paid.

(2) Other reserves include mainly the result of transactions with non-controlling interest that do not result in a loss of control, the remeasurement of post-employment benefit obligations and the changes in value of cash flow hedges and in available for sale financial instruments.

(3) The Distributable Reserve and Retained Earnings as of June 30, 2017 calculated in accordance with Luxembourg Law are disclosed in Note 11.

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2016.

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

| (all amounts in thousands of U.S. dollars) | Notes | Six-month period ended June 30, (Unaudited) | |
|---|-------|---|------------|
| | | 2017 | 2016 |
| Cash flows from operating activities | | | |
| Income for the period | | 278,995 | 18,773 |
| Adjustments for: | | | |
| Depreciation and amortization | 8 & 9 | 311,066 | 327,118 |
| Income tax accruals less payments | | (129,818) | (68,731) |
| Equity in earnings of non-consolidated companies | | (65,401) | (30,339) |
| Interest accruals less payments, net | | 4,889 | (12,906) |
| Changes in provisions | | (19,920) | 8,171 |
| Income from the sale of Conduit business | 13 | (89,694) | - |
| Changes in working capital | | (365,222) | 410,232 |
| Other, including currency translation adjustment | | 68,409 | 36,557 |
| Net cash (used in) provided by operating activities | | (6,696) | 688,875 |
| Cash flows from investing activities | | | |
| Capital expenditures | 8 & 9 | (293,806) | (441,423) |
| Changes in advance to suppliers of property, plant and equipment | | 4,329 | 34,352 |
| Proceeds from disposal of Conduit business | 13 | 327,631 | - |
| Investment in non-consolidated companies | 12 | - | (17,108) |
| Loan to non-consolidated companies | 12 | (9,006) | (23,848) |
| Investment in companies under cost method | 10 | (3,681) | - |
| Proceeds from disposal of property, plant and equipment and intangible assets | | 2,878 | 3,979 |
| Dividends received from non-consolidated companies | | 22,971 | 20,674 |
| Changes in investments in securities | | 170,071 | 325,682 |
| Net cash provided by (used in) investing activities | | 221,387 | (97,692) |
| Cash flows from financing activities | | | |
| Dividends paid | 7 | (330,550) | (354,161) |
| Dividends paid to non-controlling interest in subsidiaries | | (19,200) | (4,311) |
| Acquisitions of non-controlling interests | | (31) | (477) |
| Proceeds from borrowings (*) | | 1,062,371 | 495,942 |
| Repayments of borrowings (*) | | (1,060,486) | (627,904) |
| Net cash (used in) financing activities | | (347,896) | (490,911) |
| (Decrease) increase in cash and cash equivalents | | (133,205) | 100,272 |
| Movement in cash and cash equivalents | | | |
| At the beginning of the period | | 398,580 | 286,198 |
| Effect of exchange rate changes | | 5,462 | 6,173 |
| (Decrease) increase in cash and cash equivalents | | (133,205) | 100,272 |
| At June 30, | | 270,837 | 392,643 |
| | | At June 30, | |
| Cash and cash equivalents | | 2017 | 2016 |

| | | |
|------------------------|---------|----------|
| Cash and bank deposits | 271,224 | 394,351 |
| Bank overdrafts | (387) | (1,708) |
| | 270,837 | 392,643 |

(* Mainly related to the renewal of short-term local facilities carried out during the six-month period ending June 30, 2017 and 2016, respectively.

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements. These Consolidated Condensed Interim Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the fiscal year ended December 31, 2016.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

- 1 General information
- 2 Accounting policies and basis of presentation
- 3 Segment information
- 4 Cost of sales
- 5 Selling, general and administrative expenses
- 6 Financial results
- 7 Dividend distribution
- 8 Property, plant and equipment, net
- 9 Intangible assets, net
- 10 Cash and cash equivalents and other investments
- 11 Contingencies, commitments and restrictions to the distribution of profits
- 12 Investments in non-consolidated companies
- 13 Net assets of disposal group classified as held for sale
- 14 Related party transactions
- 15 Category of financial instruments and classification within the fair value hierarchy
- 16 Nationalization of Venezuelan subsidiaries

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(In the notes all amounts are shown in U.S. dollars, unless otherwise stated)

1 General information

Tenaris S.A. (the "Company") was established as a public limited liability company (société anonyme) under the laws of the Grand-Duchy of Luxembourg on December 17, 2001. The Company holds, either directly or indirectly, controlling interests in various subsidiaries in the steel pipe manufacturing and distribution businesses. References in these Consolidated Condensed Interim Financial Statements to "Tenaris" refer to Tenaris S.A. and its consolidated subsidiaries. A list of the principal Company's subsidiaries is included in Note 30 to the Company's audited Consolidated Financial Statements for the year ended December 31, 2016.

The Company's shares trade on the Buenos Aires Stock Exchange, the Italian Stock Exchange and the Mexican Stock Exchange; the Company's American Depositary Securities ("ADS") trade on the New York Stock Exchange.

These Consolidated Condensed Interim Financial Statements were approved for issuance by the Company's Board of Directors on August 2, 2017.

2 Accounting policies and basis of presentation

These Consolidated Condensed Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting policies used in the preparation of these Consolidated Condensed Interim Financial Statements are consistent with those used in the audited Consolidated Financial Statements for the year ended December 31, 2016. These Consolidated Condensed Interim Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and in conformity with IFRS as adopted by the European Union ("EU").

The preparation of Consolidated Condensed Interim Financial Statements in conformity with IFRS requires management to make certain accounting estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet dates, and the reported amounts of revenues and expenses for the reported periods. Actual results may differ from these estimates.

Material inter-company transactions, balances and unrealized gains (losses) on transactions between Tenaris's subsidiaries have been eliminated in consolidation. However, since the functional currency of some subsidiaries is its respective local currency, some financial gains (losses) arising from inter-company transactions are generated. These are included in the Consolidated Condensed Interim Income Statement under Other financial results.

There were no changes in valuation techniques during the period and there have been no changes in any risk management policies since the year ended December 31, 2016.

Whenever necessary, certain comparative amounts have been reclassified to conform to changes in presentation in the current period.

Following the sale of the steel electric conduit business in North America, known as Republic Conduit, the results of the mentioned business are presented as discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Consequently, all amounts related to discontinued operations within each line

item of the Consolidated Income Statement are reclassified into discontinued operations. The Consolidated Statement of Cash Flows includes the cash flows for continuing and discontinued operations, cash flows from discontinued operations and earnings per share are disclosed separately in Note 13, as well as additional information detailing net assets of disposal group classified as held for sale and discontinued operations.

None of the accounting pronouncements issued after December 31, 2016 and as of the date of these Consolidated Condensed Interim Financial Statements have a material effect on the Company's financial condition or result of operations.

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

3 Segment information

Reportable operating segment

| (all amounts in thousands of U.S. dollars) | (Unaudited) | | Total | Total |
|---|-------------|---------|-----------------------|-------------------------|
| | Tubes | Other | continuing operations | discontinued operations |
| Six-month period ended June 30, 2017 | | | | |
| IFRS - Net Sales | 2,260,021 | 136,643 | 2,396,664 | 11,899 |
| Management View - Operating (loss) income | (28,076) | 11,826 | (16,250) | 3,372 |
| · Differences in cost of sales and others | 106,391 | (857) | 105,534 | (918) |
| · Depreciation and amortization | (1,866) | 86 | (1,780) | - |
| IFRS - Operating income | 76,449 | 11,055 | 87,504 | 2,454 |
| Financial income (expense), net | | | (20,054) | (9) |
| Income before equity in earnings of non-consolidated companies and income tax | | | 67,450 | 2,445 |
| Equity in earnings of non-consolidated companies | | | 65,401 | - |
| Income before income tax | | | 132,851 | 2,445 |
| Capital expenditures | 288,747 | 4,914 | 293,661 | 145 |
| Depreciation and amortization | 304,371 | 6,695 | 311,066 | - |

| (all amounts in thousands of U.S. dollars) | (Unaudited) | | Total | Total |
|--|-------------|----------|-----------------------|-------------------------|
| | Tubes | Other | continuing operations | discontinued operations |
| Six-month period ended June 30, 2016 | | | | |
| IFRS - Net Sales | 2,115,190 | 146,077 | 2,261,267 | 116,660 |
| Management View - Operating income | 23,386 | 14,347 | 37,733 | 32,074 |
| · Differences in cost of sales and others | (96,857) | (2,710) | (99,567) | 2,476 |
| · Depreciation and amortization | 29,526 | 108 | 29,634 | - |
| IFRS - Operating (loss) income | (43,945) | 11,745 | (32,200) | 34,550 |
| Financial income (expense), net | | | (4,939) | (6) |
| (Loss) income before equity in earnings of non-consolidated companies and income tax | | | (37,139) | 34,544 |
| Equity in earnings of non-consolidated companies | | | 30,339 | - |
| (Loss) income before income tax | | | (6,800) | 34,544 |
| Capital expenditures | 419,151 | 21,806 | 440,957 | 466 |
| Depreciation and amortization | 317,199 | 7,191 | 324,390 | 2,728 |

In the six-month period ended June 30, 2017, net income under management view amounted to \$209.8 million, while under IFRS it amounted to \$279.0 million. In addition to the amounts reconciled above, the main differences arise from the impact of functional currencies on financial result, deferred income taxes as well as the result of investment in non-consolidated companies and changes on the valuation of inventories according to cost estimation internally defined.

Geographical information

Edgar Filing: TENARIS SA - Form 6-K

| | (Unaudited) | | | | | | |
|--|---------------|---------------|---------|----------------------|--------------|-----------------------------|-------------------------------|
| (all amounts in thousands of U.S. dollars) | North America | South America | Europe | Middle East & Africa | Asia Pacific | Total continuing operations | Total discontinued operations |
| Six-month period ended June 30, 2017 | | | | | | | |
| Net sales | 1,061,010 | 505,220 | 257,230 | 469,841 | 103,363 | 2,396,664 | 11,899 |
| Capital expenditures | 238,140 | 32,445 | 16,005 | 5,188 | 1,883 | 293,661 | 145 |
| Depreciation and amortization | 179,057 | 62,745 | 51,574 | 6,204 | 11,486 | 311,066 | - |
| Six-month period ended June 30, 2016 | | | | | | | |
| Net sales | 667,962 | 691,488 | 308,381 | 524,953 | 68,483 | 2,261,267 | 116,660 |
| Capital expenditures | 368,408 | 39,972 | 16,351 | 9,546 | 6,680 | 440,957 | 466 |
| Depreciation and amortization | 188,759 | 63,309 | 56,270 | 5,213 | 10,839 | 324,390 | 2,728 |

3 Segment information (Cont.)

Allocation of net sales to geographical information is based on customer location. Allocation of depreciation and amortization is based on the geographical location of the underlying assets.

There are no revenues from external customers attributable to the Company's country of incorporation (Luxembourg). For geographical information purposes, "North America" comprises Canada, Mexico and the United States; "South America" comprises principally Argentina, Brazil and Colombia; "Europe" comprises principally Italy, Norway and Romania; "Middle East and Africa" comprises principally Kazakhstan, United Arab Emirates, Nigeria and Saudi Arabia and "Asia Pacific" comprises principally Thailand, China and Japan.

4 Cost of sales

| (all amounts in thousands of U.S. dollars) | Six-month period ended | |
|---|------------------------|-------------|
| | June 30, 2017 | 2016 |
| | (Unaudited) | |
| Inventories at the beginning of the period | 1,563,889 | 1,843,467 |
| Plus: Charges of the period | | |
| Raw materials, energy, consumables and other | 1,329,052 | 624,520 |
| Services and fees | 115,251 | 100,324 |
| Labor cost | 361,198 | 347,583 |
| Depreciation of property, plant and equipment | 183,741 | 184,365 |
| Amortization of intangible assets | 11,503 | 14,331 |
| Maintenance expenses | 75,540 | 61,898 |
| Allowance for obsolescence | (8,319) | 37,929 |
| Taxes | 8,924 | 7,483 |
| Other | 45,029 | 54,006 |
| | 2,121,919 | 1,432,439 |
| Less: Inventories at the end of the period | (1,988,820) | (1,533,666) |
| From discontinued operations | (7,403) | (65,555) |
| | 1,689,585 | 1,676,685 |

5 Selling, general and administrative expenses

| (all amounts in thousands of U.S. dollars) | Six-month period | |
|---|------------------------|---------|
| | ended June 30, 2017 | 2016 |
| | (Unaudited) | |
| Services and fees | 69,476 | 63,149 |
| Labor cost | 221,689 | 247,604 |
| Depreciation of property, plant and equipment | 8,942 | 8,473 |
| Amortization of intangible assets | 106,880 | 119,949 |
| Commissions, freight and other selling expenses | 153,638 | 119,197 |
| Provisions for contingencies | 3,181 | 13,870 |

Edgar Filing: TENARIS SA - Form 6-K

| | | |
|----------------------------------|----------|-----------|
| Allowances for doubtful accounts | (4,738) | (25,375) |
| Taxes | 23,424 | 40,416 |
| Other | 41,112 | 41,280 |
| | 623,604 | 628,563 |
| From Discontinued operations | (2,041) | (16,555) |
| | 621,563 | 612,008 |

9

6 Financial results

| (all amounts in thousands of U.S. dollars) | Six-month period ended June 30, | |
|--|------------------------------------|----------|
| | 2017 | 2016 |
| | (Unaudited) | |
| Interest Income | 25,684 | 33,586 |
| Net result on changes in FV of financial assets at FVTPL | (1,698) | 10,521 |
| Finance Income | 23,986 | 44,107 |
| Finance Cost | (11,958) | (9,118) |
| Net foreign exchange transactions results (*) | (33,057) | (19,019) |
| Foreign exchange derivatives contracts results (**) | (6,384) | (27,196) |
| Other | 7,350 | 6,281 |
| Other Financial results | (32,091) | (39,934) |
| Net Financial results | (20,063) | (4,945) |
| From discontinued operations | 9 | 6 |
| | (20,054) | (4,939) |

(*)The six-month period ended June 2017 includes the negative impact from Euro appreciation against the U.S. dollar on Euro denominated intercompany liabilities in subsidiaries with functional currency U.S. Dollar, largely offset by an increase in currency translation adjustment reserve from an Italian subsidiary.

(**) The six-month period ended June 2016 includes the negative impact from Brazilian Real appreciation against the U.S. dollar on hedging instruments and of Cash and cash equivalent and Other investments denominated in U.S. dollar in subsidiaries which functional currency is the Brazilian real, partially offset by an increase in currency translation adjustment reserve from the Brazilian subsidiaries.

7 Dividend distribution

On May 3, 2017, the Company's Shareholders approved an annual dividend in the amount of \$0.41 per share (\$0.82 per ADS). The amount approved included the interim dividend previously paid in November 23, 2016 in the amount of \$0.13 per share (\$0.26 per ADS). The balance, amounting to \$0.28 per share (\$0.56 per ADS), was paid on May 24, 2017. In the aggregate, the interim dividend paid in November 2016 and the balance paid in May 2017 amounted to approximately \$484.0 million.

On May 4, 2016 the Company's Shareholders approved an annual dividend in the amount of \$0.45 per share (\$0.90 per ADS). The amount approved included the interim dividend previously paid in November 25, 2015 in the amount of \$0.15 per share (\$0.30 per ADS). The balance, amounting to \$0.30 per share (\$0.60 per ADS), was paid on May 25, 2016. In the aggregate, the interim dividend paid in November 2015 and the balance paid in May 2016 amounted to approximately \$531.2 million.

8 Property, plant and equipment, net

| (all amounts in thousands of U.S. dollars) | 2017 | 2016 |
|--|-------------|-----------|
| | (Unaudited) | |
| Six-month period ended June 30, | | |
| Opening net book amount | 6,001,939 | 5,672,258 |
| Currency translation adjustment | 40,807 | 47,585 |

Edgar Filing: TENARIS SA - Form 6-K

| | | |
|---------------------|------------|------------|
| Additions (*) | 275,690 | 423,780 |
| Disposals | (2,100) | (7,567) |
| Transfers | 689 | 2,099 |
| Depreciation charge | (192,683) | (192,838) |
| At June 30, | 6,124,342 | 5,945,317 |

(*) Mainly due to the progress in the construction of the greenfield seamless facility in Bay City, Texas.

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

9 Intangible assets, net

| (all amounts in thousands of U.S. dollars) | 2017 | 2016 |
|--|-------------|------------|
| | (Unaudited) | |
| Six-month period ended June 30, | | |
| Opening net book amount | 1,862,827 | 2,143,452 |
| Currency translation adjustment | 562 | 6,635 |
| Additions | 17,971 | 17,643 |
| Disposals | (602) | (434) |
| Transfers | (689) | (604) |
| Amortization charge | (118,383) | (134,280) |
| At June 30, | 1,761,686 | 2,032,412 |

10 Cash and cash equivalents and other investments

| (all amounts in thousands of U.S. dollars) | At June 30, 2017 | At December 31, 2016 |
|---|---------------------|-------------------------------|
| | (Unaudited) | |
| Cash and cash equivalents | | |
| Cash at banks | 118,375 | 92,730 |
| Liquidity funds | 90,644 | 215,807 |
| Short – term investments | 62,205 | 91,200 |
| | 271,224 | 399,737 |
| Other investments - current | | |
| Fixed Income (time-deposit, zero coupon bonds, commercial papers) | 630,821 | 782,029 |
| Bonds and other fixed Income | 800,321 | 841,638 |
| Fund Investments | - | 9,475 |
| Others | 739 | - |
| | 1,431,881 | 1,633,142 |
| Other investments - Non-current | | |
| Bonds and other fixed Income | 279,232 | 248,049 |
| Others (*) | 5,506 | 1,670 |
| | 284,738 | 249,719 |

(*) Related to investments in companies under cost method.

11 Contingencies, commitments and restrictions to the distribution of profits

Contingencies

This note should be read in conjunction with Note 25 to the Company's audited Consolidated Financial Statements for the year ended December 31, 2016.

Tenaris is from time to time subject to various claims, lawsuits and other legal proceedings, including customer claims, in which third parties are seeking payment for alleged damages, reimbursement for losses or indemnity. Some of these claims, lawsuits and other legal proceedings involve highly complex issues, and often these issues are subject to substantial uncertainties. Accordingly, potential liability with respect to a large portion of such claims, lawsuits and other legal proceedings cannot be estimated with certainty. Management, with the assistance of legal counsel, periodically reviews the status of each significant matter and assesses potential financial exposure. If a potential loss from a claim, lawsuit or proceeding is considered probable and the amount can be reasonably estimated, a provision is recorded. Accruals for loss contingencies reflect a reasonable estimate of the losses to be incurred based on information available to management as of the date of preparation of the financial statements, and take into consideration litigation and settlement strategies. The Company believes that the aggregate provisions recorded for potential losses in these financial statements are adequate based upon currently available information. However, if management's estimates prove incorrect, current reserves could be inadequate and Tenaris could incur a charge to earnings which could have a material adverse effect on Tenaris's results of operations, financial condition, net worth and cash flows.

Set forth below is a description of Tenaris's material ongoing legal proceedings:

§ Tax assessment in Italy

Dalmine, an Italian subsidiary of Tenaris, received on December 24, 2012 a tax assessment from the Italian tax authorities related to allegedly omitted withholding tax on dividend payments made in 2007. The assessment, which was for an estimated amount of EUR297 million (approximately \$339 million), comprising principal, interest and penalties, was appealed with the first-instance tax court in Milan. In February 2014, the first-instance tax court issued its decision on this tax assessment, partially reversing the assessment and lowering the claimed amount to approximately EUR9 million (approximately \$10.3 million), including principal, interest and penalties. On October 2, 2014, the Italian tax authorities appealed against the second-instance tax court decision on the 2007 assessment. On June 12, 2015, the second-instance tax court accepted Dalmine's defense arguments and rejected the appeal by the Italian tax authorities, thus reversing the entire 2007 assessment and recognizing that the dividend payment was exempt from withholding tax. The Italian tax authorities have appealed the second-instance tax court decision before the Supreme Court.

On December 24, 2013, Dalmine received a second tax assessment from the Italian tax authorities, based on the same arguments as those in the first assessment, relating to allegedly omitted withholding tax on dividend payments made in 2008 – the last such distribution made by Dalmine. Dalmine appealed the assessment with the first-instance tax court in Milan. On January 27, 2016, the first-instance tax court rejected Dalmine's appeal. This first-instance ruling, which held that Dalmine is required to pay an amount of EUR225 million (approximately \$257 million), including principal, interest and penalties, contradicts the first and second-instance tax court rulings in connection with the 2007 assessment. Dalmine obtained the suspension of the interim payment that would have been due, based on the first-instance decision, through the filing with the tax authorities of a bank guarantee, and appealed the January 2016 ruling with the second-instance tax court. The hearing in the second instance tax court has been called on September

25, 2017.

Tenaris continues to believe that Dalmine has correctly applied the relevant legal provisions and based on, among other things, the tax court decisions on the 2007 assessment and the opinion of legal counsel, Tenaris believes that it is not probable that the ultimate resolution of either the 2007 or the 2008 tax assessment will result in a material obligation.

§ CSN claims relating to the January 2012 acquisition of Usiminas shares

In 2013, Confab Industrial S.A., a Brazilian subsidiary of the Company ("Confab") was notified of a lawsuit filed in Brazil by Companhia Siderúrgica Nacional (CSN) and various entities affiliated with CSN against Confab and the other entities that acquired a participation in Usiminas' control group in January 2012.

12

11 Contingencies, commitments and restrictions to the distribution of profits (Cont.)

Contingencies (Cont.)

§ CSN claims relating to the January 2012 acquisition of Usiminas shares (Cont.)

The CSN lawsuit alleges that, under applicable Brazilian laws and rules, the acquirers were required to launch a tag-along tender offer to all non-controlling holders of Usiminas' ordinary shares for a price per share equal to 80% of the price per share paid in such acquisition, or BRL28.8, and seeks an order to compel the acquirers to launch an offer at that price plus interest. If so ordered, the offer would need to be made to 182,609,851 ordinary shares of Usiminas not belonging to Usiminas' control group, and Confab would have a 17.9% share in that offer.

On September 23, 2013, the first instance court dismissed the CSN lawsuit, and on February 8, 2017, the court of appeals maintained the understanding of the first instance court. On March 6, 2017, CSN filed a motion for clarification against the decision of the court of appeals, which was rejected on July 19, 2017. CSN may still appeal to the Superior Court of Justice or the Federal Supreme Court. For further information on the CSN lawsuit, see Note 25 to the Consolidated Financial Statements for the year ended December 31, 2016.

Tenaris continues to believe that all of CSN's claims and allegations are groundless and without merit, as confirmed by several opinions of Brazilian legal counsel, two decisions issued by the Brazilian securities regulator (CVM) in February 2012 and December 2016, and the first and second instance court decisions referred to above. Accordingly, no provision was recorded in these Consolidated Condensed Interim Financial Statements.

§ Veracel Celulose Accident Litigation

On September 21, 2007, an accident occurred in the premises of Veracel Celulose S.A. ("Veracel") in connection with a rupture in one of the tanks used in an evaporation system manufactured by Confab. The Veracel accident allegedly resulted in material damages to Veracel. Itaú Seguros S.A. ("Itaú"), Veracel's insurer at the time of the Veracel accident, initiated a lawsuit against Confab seeking reimbursement of damages paid to Veracel in connection with the Veracel accident. Veracel initiated a second lawsuit against Confab seeking reimbursement of the amount paid as insurance deductible in connection with the Veracel accident and other amounts not covered by insurance. Itaú and Veracel claim that the Veracel accident was caused by failures and defects attributable to the evaporation system manufactured by Confab. Confab believes that the Veracel accident was caused by the improper handling by Veracel's personnel of the equipment supplied by Confab in violation of Confab's instructions. The two lawsuits have been consolidated, and are now being considered by the 6th Civil Court of São Caetano do Sul; however, each lawsuit will be adjudicated through a separate ruling. Both proceedings are currently at evidentiary stage.

On March 10, 2016, a court-appointed expert issued its report on certain technical matters concerning the Veracel accident. Based upon a technical opinion received from a third-party expert, in August 2016, Confab filed its objections to the expert's report. Other parties have also filed their observations and/or opinions concerning the expert's report, which are currently subject to the court examination. As of June 30, 2017, the estimated amount of Itaú's claim is approximately BRL78 million (approximately \$23.6 million), and the estimated amount of Veracel's claim is approximately BRL49.7 million (approximately \$15.0 million), for an aggregate amount BRL127.7 million (\$38.6 million). The final result of this claim depends largely on the court's evaluation of technical matters arising from the expert's opinion and objections presented by Confab. No provision has been recorded in these Consolidated Condensed Interim Financial Statements.

§ Petroamazonas Penalties

On January 22, 2016, Petroamazonas ("PAM"), an Ecuadorian state-owned oil company, imposed penalties to the Company's Uruguayan subsidiary, Tenaris Global Services S.A. ("TGS"), for its alleged failure to comply with delivery terms under a pipe supply agreement. The penalties amount to approximately \$ 22.5 million as of the date hereof. Tenaris believes, based on the advice of counsel, that PAM has no legal basis to impose the penalties and that TGS has meritorious defenses against PAM. However, in light of the prevailing political circumstances in Ecuador, the Company cannot predict the outcome of a claim against a state-owned company and it is not possible to estimate the amount or range of loss in case of an unfavorable outcome.

11 Contingencies, commitments and restrictions to the distribution of profits (Cont.)

Contingencies (Cont.)

§ Ongoing investigation

The Company has learned that Italian and Swiss authorities are investigating whether certain payments were made from accounts of entities presumably associated with affiliates of the Company to accounts controlled by an individual allegedly related with officers of Petróleo Brasileiro S.A. and whether any such payments were intended to benefit Confab. Any such payments could violate certain applicable laws, including the U.S. Foreign Corrupt Practices Act. The Company had previously reviewed certain of these matters in connection with an investigation by the Brazilian authorities related to "Operation Lava Jato" and the Audit Committee of the Company's Board of Directors has engaged external counsel in connection with a review of the alleged payments and related matters. In addition, the Company has voluntarily notified the U.S. Securities and Exchange Commission and the U.S. Department of Justice. The Company intends to share the results of this review with the appropriate authorities, and to cooperate with any investigations that may be conducted by such authorities. At this time, the Company cannot predict the outcome of these matters or estimate the range of potential loss or extent of risk, if any, to the Company's business that may result from resolution of these matters.

Commitments

Set forth is a description of Tenaris's main outstanding commitments:

A Tenaris company is a party to a contract with Nucor Corporation under which it is committed to purchase on a monthly basis a minimum volume of hot-rolled steel coils at prices that are negotiated annually by reference to prices to comparable Nucor customers. The contract became effective in January 2013 and will be in force until December 2017; provided, however, that either party may terminate the contract at any time after January 1, 2015 § with a 12-month prior notice. Due to the weak pipe demand associated with the reduction in drilling activity, the parties entered into a temporary agreement pursuant to which application of the minimum volume requirements were suspended, and the company is temporarily allowed to purchase steel volumes in accordance with its needs. As of June 30, 2017, the estimated aggregate contract amount through December 31, 2017, calculated at current prices, is approximately \$464.9 million.

A Tenaris company entered into various contracts with suppliers pursuant to which it committed to purchase goods and services for a total amount of approximately \$110.1 million related to the investment plan to expand Tenaris's § U.S. operations with the construction of a state-of-the-art seamless pipe mill in Bay City, Texas. As of June 30, 2017 approximately \$1,551 million had already been invested.

Restrictions to the distribution of profits and payment of dividends

As of December 31, 2016, equity as defined under Luxembourg law and regulations consisted of:

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

| | |
|---|------------|
| Share capital | 1,180,537 |
| Legal reserve | 118,054 |
| Share premium | 609,733 |
| Retained earnings including net income for the year ended December 31, 2016 | 17,493,012 |

| | |
|--|------------|
| Total equity in accordance with Luxembourg law | 19,401,336 |
|--|------------|

At least 5% of the Company's net income per year, as calculated in accordance with Luxembourg law and regulations, must be allocated to the creation of a legal reserve equivalent to 10% of the Company's share capital. As of June 30, 2017, this reserve is fully allocated and additional allocations to the reserve are not required under Luxembourg law. Dividends may not be paid out of the legal reserve.

The Company may pay dividends to the extent, among other conditions, that it has distributable retained earnings calculated in accordance with Luxembourg law and regulations.

11 Contingencies, commitments and restrictions to the distribution of profits (Cont.)

Restrictions to the distribution of profits and payment of dividends (Cont.)

At December 31, 2016, distributable amount under Luxembourg law totals \$18.1 billion, as detailed below:

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

| | |
|--|------------|
| Retained earnings at December 31, 2015 under Luxembourg law | 18,024,204 |
| Other income and expenses for the year ended December 31, 2016 | (23,561) |
| Dividends approved | (507,631) |
| Retained earnings at December 31, 2016 under Luxembourg law | 17,493,012 |
| Share premium | 609,733 |
| Distributable amount at December 31, 2016 under Luxembourg law | 18,102,745 |

12 Investments in non-consolidated companies

a) Ternium

Ternium S.A. ("Ternium"), is a steel producer with production facilities in Mexico, Argentina, Colombia, United States and Guatemala and is one of Tenaris's main suppliers of round steel bars and flat steel products for its pipes business.

At June 30, 2017, the closing price of Ternium's ADSs as quoted on the New York Stock Exchange was \$28.09 per ADS, giving Tenaris's ownership stake a market value of approximately \$645.3 million (Level 1). At June 30, 2017, the carrying value of Tenaris's ownership stake in Ternium, based on Ternium's IFRS financial statements, was approximately \$530.8 million.

b) Usiminas

Usiminas is a Brazilian producer of high quality flat steel products used in the energy, automotive and other industries and it is Tenaris's principal supplier of flat steel in Brazil for its pipes and industrial equipment businesses.

As of June 30, 2017 the closing price of the Usiminas' ordinary and preferred shares, as quoted on the BM&FBovespa Stock Exchange, was BRL8.83 (\$2.67) and BRL4.6 (\$1.39), respectively, giving Tenaris's ownership stake a market value of approximately \$99.2 million (Level 1). As that date, the carrying value of Tenaris's ownership stake in Usiminas was approximately \$67.6 million.

c) Techgen, S.A. de C.V. ("Techgen")

Techgen is a Mexican company that operates a natural gas-fired combined cycle electric power plant in the Pesquería area of the State of Nuevo León, Mexico. The company started producing energy on December 1, 2016 and is fully operational, with a power capacity of between 850 and 900 megawatts. As of June 30, 2017, Tenaris held 22% of Techgen's share capital, and its affiliates Ternium and Tecpetrol International S.A. (a wholly-owned subsidiary of San Faustín S.A., the controlling shareholder of both Tenaris and Ternium) held 48% and 30% respectively.

Techgen is a party to transportation capacity agreements for a purchasing capacity of 150,000 MMBtu/Gas per day starting on August 1, 2016 and ending on July 31, 2036, and a party to a contract for the purchase of power generation

equipment and other services related to the equipment. As of June 30, 2017, Tenaris's exposure under these agreements amounted to \$59.8 million and \$5.3 million respectively.

Tenaris issued a corporate guarantee covering 22% of the obligations of Techgen under a syndicated loan agreement between Techgen and several banks for an aggregate amount of \$760 million which has been used in the construction of the facility. The main covenants under the corporate guarantee are limitations on the sale of certain assets and compliance with financial ratios (e.g. leverage ratio). As of June 30, 2017, the facility agreement has been fully disbursed and, accordingly, the amount guaranteed by Tenaris was approximately \$167.2 million. During the six-month period ended June 30, 2017, Techgen's shareholders made additional investments in Techgen, through subordinated loans, which in the case of Tenaris amounted to \$9 million. As of June 30, 2017, the aggregate outstanding principal amount under these loans was \$95.2 million.

13 Net assets of disposal group classified as held for sale

On December 15, 2016, Tenaris entered into an agreement with Nucor Corporation (NC) pursuant to which it has sold to NC the steel electric conduit business in North America, known as Republic Conduit for an amount of \$328 million (net of transaction costs). The sale was completed on January 19, 2017, with effect from January 20, 2017. The result of this transaction was an after-tax gain of \$89.7 million, calculated as the net proceeds of the sale less the book value of net assets held for sale, the corresponding tax effect and related expenses.

| | Six-month period ended June 30, | |
|--|------------------------------------|--------|
| | 2017 | 2016 |
| Income from discontinued operations | 1,848 | 21,598 |
| After tax gain on the sale of Conduit | 89,694 | - |
| Net Income for discontinued operations | 91,542 | 21,598 |

Details of Conduit sale

| | |
|------------------------------------|-----------|
| Cash received | 331,295 |
| Transaction and other costs | (3,663) |
| Carrying amount of net assets sold | (137,814) |
| Gain on sale before income tax | 189,817 |
| Income tax expense on gain | (100,123) |
| Gain on sale after income tax | 89,694 |

The financial performances presented are relative to the 19 days of January 2017 and the six month period ended June 30, 2016.

(all amounts in thousands of US dollars, unless otherwise stated)

| | 2017 | 2016 |
|--|----------|-----------|
| Net sales | 11,899 | 116,660 |
| Cost of sales | (7,403) | (65,555) |
| Gross profit | 4,496 | 51,105 |
| Selling, general and administrative expenses | (2,041) | (16,555) |
| Other operating income & expenses | (1) | - |
| Operating income | 2,454 | 34,550 |
| Finance Income (expenses), net | (9) | (6) |
| Income before income tax | 2,445 | 34,544 |
| Income tax | (597) | (12,946) |
| Net income | 1,848 | 21,598 |

The following table shows the current and non-current assets and liabilities of disposal group as at 31, December 2016 and the carrying amounts of assets and liabilities as at the date of sale.

| ASSETS | At January 19, 2017 | At December 31, 2016 |
|------------------------------------|------------------------|-------------------------|
| Non-current assets | | |
| Property, plant and equipment, net | 41,438 | 41,470 |
| Intangible assets, net | 45,894 | 87,332 |
| | 87,332 | 45,894 |
| | | 87,364 |

| | | | |
|---|--------|---------|---------|
| Current assets | | | |
| Inventories, net | 29,349 | | 29,819 |
| Receivables and prepayments, net | 1,157 | | 451 |
| Trade receivables, net | 38,620 | | 33,620 |
| Cash and cash equivalents | 206 | 69,332 | 163 |
| Total assets of disposal group classified as held for sale | | 156,664 | 151,417 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 5,294 | | 4,696 |
| Other liabilities | - | 5,294 | 680 |
| Current liabilities | | | |
| Current tax liabilities | 65 | | 4,100 |
| Other liabilities | 2,913 | | 1,668 |
| Trade payables | 10,578 | 13,556 | 6,950 |
| Total liabilities of disposal group classified as held for sale | | 18,850 | 18,094 |

Summarized cash flow information is as follows:

| | 2017 | 2016 |
|--|----------|----------|
| Cash at the beginning | 18,820 | 15,343 |
| Cash at the end | 206 | 22,726 |
| (Decrease) Increase in cash | (18,614) | 7,383 |
| (Used in) provided by operating activities | (3,046) | 17,728 |
| Provided by (used in) investing activities | 32 | (345) |
| Used in financing activities | (15,600) | (10,000) |

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

14 Related party transactions

As of June 30, 2017:

§ San Faustin S.A., a Luxembourg société anonyme ("San Faustin"), owned 713,605,187 shares in the Company, representing 60.45% of the Company's capital and voting rights.

San Faustin owned all of its shares in the Company through its wholly-owned subsidiary Techint Holdings S.à r.l., a § Luxembourg société à responsabilité limitée ("Techint"), who is the holder of record of the above-mentioned Tenaris shares.

§ Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin, a Dutch private foundation (Stichting) ("RP STAK") held voting rights in San Faustin sufficient in number to control San Faustin.

§ No person or group of persons controls RP STAK.

Based on the information most recently available to the Company, Tenaris's directors and senior management as a group owned 0.10% of the Company's outstanding shares.

Transactions and balances disclosed as with "non-consolidated parties" are those with companies over which Tenaris exerts significant influence or joint control in accordance with IFRS, but does not have control. All other transactions and balances with related parties which are not non-consolidated parties and which are not consolidated are disclosed as "Other".

The following transactions were carried out with related parties:

| (all amounts in thousands of U.S. dollars) | Six-month period ended June 30, 2017 2016 (Unaudited) | |
|---|--|--------|
| (i) Transactions | | |
| (a) Sales of goods and services | | |
| Sales of goods to non-consolidated parties | 16,251 | 9,736 |
| Sales of goods to other related parties | 18,382 | 11,780 |
| Sales of services to non-consolidated parties | 5,739 | 4,517 |
| Sales of services to other related parties | 1,648 | 1,549 |
| | 42,020 | 27,582 |
| (b) Purchases of goods and services | | |
| Purchases of goods to non-consolidated parties | 106,301 | 19,007 |
| Purchases of goods to other related parties | 6,801 | 11,481 |
| Purchases of services to non-consolidated parties | 5,653 | 4,545 |
| Purchases of services to other related parties | 25,024 | 28,454 |
| | 143,779 | 63,487 |

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

At June 30,

At
December

| | 2017 (Unaudited) | 31, 2016 |
|---|---------------------|-------------|
| (ii) Period-end balances | | |
| Arising from sales / purchases of goods / services / others | | |
| Receivables from non-consolidated parties | 127,277 | 117,187 |
| Receivables from other related parties | 20,102 | 13,357 |
| Payables to non-consolidated parties | (39,811) | (21,314) |
| Payables to other related parties | (7,615) | (12,708) |
| | 99,953 | 96,522 |

15 Category of financial instruments and classification within the fair value hierarchy

Accounting policies for financial instruments have been applied to classify as either: loans and receivables, held-to-maturity, available-for-sale, or fair value through profit and loss. For financial instruments that are measured in the statement of financial position at fair value, IFRS 13 requires a disclosure of fair value measurements by level according to the following fair value measurement hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following tables present the financial instruments by category and levels as of June 30, 2017 and December 31, 2016.

| | Carrying Amount | Measurement Categories | | | Assets at fair value through profit and loss | At Fair Value | | |
|--|-----------------|------------------------|------------------|--------------------|--|---------------|---------|---------|
| | | Loans & Receivables | Held to Maturity | Available for sale | | Level 1 | Level 2 | Level 3 |
| June 30, 2017 | | | | | | | | |
| Assets | | | | | | | | |
| Cash and cash equivalents | 271,224 | 118,375 | - | - | 152,849 | 152,849 | - | - |
| Cash at banks | 118,375 | 118,375 | - | - | - | - | - | - |
| Liquidity funds | 90,644 | - | - | - | 90,644 | 90,644 | - | - |
| Short – term investments | 62,205 | - | - | - | 62,205 | 62,205 | - | - |
| Other investments Current | 1,431,881 | - | 261,726 | - | 1,170,155 | 540,673 | 629,482 | - |
| Fixed Income | | | | | | | | |
| (time-deposit, zero coupon bonds, commercial papers) | 630,821 | - | - | - | 630,821 | 35,162 | 595,659 | - |
| Non - U.S. Sovereign | | | | | | | | |
| Bills | 25,229 | - | - | - | 25,229 | 25,229 | - | - |
| Certificates of Deposits | 445,510 | - | - | - | 445,510 | - | 445,510 | - |
| Commercial Papers | 9,933 | - | - | - | 9,933 | 9,933 | - | - |
| Other notes | 150,149 | - | - | - | 150,149 | - | 150,149 | - |
| Bonds and other fixed | | | | | | | | |
| Income | 800,321 | - | 261,726 | - | 538,595 | 505,511 | 33,084 | - |
| U.S. government securities | 124,416 | - | - | - | 124,416 | 124,416 | - | - |
| Non - U.S. government securities | 206,668 | - | 20,940 | - | 185,728 | 185,728 | - | - |
| Corporates securities | 436,153 | - | 240,786 | - | 195,367 | 195,367 | - | - |
| Structured Notes | 10,072 | - | - | - | 10,072 | - | 10,072 | - |
| | 23,012 | - | - | - | 23,012 | - | 23,012 | - |

Edgar Filing: TENARIS SA - Form 6-K

| | | | | | | | | |
|---|-----------|-----------|---------|--------|-----------|---------|---------|--------|
| Mortgage and Asset-backed securities Others | 739 | - | - | - | 739 | - | 739 | - |
| Other Investments Non- current | 284,738 | - | 279,232 | - | 5,506 | - | - | 5,506 |
| Bonds and other fixed Income | 279,232 | - | 279,232 | - | - | - | - | - |
| Other Investments | 5,506 | - | - | - | 5,506 | - | - | 5,506 |
| Trade receivables | 1,024,453 | 1,024,453 | - | - | - | - | - | - |
| Receivables C and NC | 385,183 | 187,848 | - | - | 51,886 | - | 51,886 | - |
| Foreign exchange derivatives contracts | 51,886 | - | - | - | 51,886 | - | 51,886 | - |
| Other receivables | 187,848 | 187,848 | - | - | - | - | - | - |
| Other receivables (non-Financial) | 145,449 | - | - | - | - | - | - | - |
| Available for sale assets (*) | 21,572 | - | - | 21,572 | - | - | - | 21,572 |
| Total | | 1,330,676 | 540,958 | 21,572 | 1,380,396 | 693,522 | 681,368 | 27,078 |
| Liabilities | | | | | | | | |
| Borrowings C and NC | 852,865 | 852,865 | - | - | - | - | - | - |
| Trade payables | 709,745 | 709,745 | - | - | - | - | - | - |
| Other liabilities C and NC | 435,763 | - | - | - | 6,859 | - | 6,859 | - |
| Foreign exchange derivatives contracts | 6,859 | - | - | - | 6,859 | - | 6,859 | - |
| Other liabilities (non-Financial) | 428,904 | - | - | - | - | - | - | - |
| Total | | 1,562,610 | - | - | 6,859 | - | 6,859 | - |

Tenaris S.A. Consolidated Condensed Interim Financial Statements for the six-month period ended June 30, 2017

15 Category of financial instruments and classification within the fair value hierarchy (Cont.)

| December 31, 2016 | Carrying Amount | Measurement Categories | | | Assets at fair value through profit and loss | At Fair Value | | |
|--|-----------------|------------------------|------------------|--------------------|--|---------------|---------|---------|
| | | Loans & Receivables | Held to Maturity | Available for sale | | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | | | |
| Cash and cash equivalents | 399,737 | 92,730 | - | - | 307,007 | 307,007 | - | - |
| Cash at banks | 92,730 | 92,730 | - | - | - | - | - | - |
| Liquidity funds | 215,807 | - | - | - | 215,807 | 215,807 | - | - |
| Short – term investments | 91,200 | - | - | - | 91,200 | 91,200 | - | - |
| Other investments Current | 1,633,142 | - | 246,031 | - | 1,387,111 | 607,866 | 779,245 | - |
| Fixed Income | | | | | | | | |
| (time-deposit, zero coupon bonds, commercial papers) | | | | | | | | |
| Non - U.S. Sovereign | 782,029 | - | - | - | 782,029 | 76,260 | 705,769 | - |
| Bills | 41,370 | - | - | - | 41,370 | 41,370 | - | - |
| Certificates of Deposits | 525,068 | - | - | - | 525,068 | - | 525,068 | - |
| Commercial Papers | 34,890 | - | - | - | 34,890 | 34,890 | - | - |
| Other notes | 180,701 | - | - | - | 180,701 | - | 180,701 | - |
| Bonds and other fixed | 841,638 | - | 246,031 | - | 595,607 | 522,131 | 73,476 | - |
| Income | | | | | | | | |
| U.S. government securities | 216,732 | - | - | - | 216,732 | 216,732 | - | - |
| Non - U.S. government securities | 88,805 | - | 32,644 | - | 56,161 | 56,161 | - | - |
| Corporates securities | 462,625 | - | 213,387 | - | 249,238 | 249,238 | - | - |
| Mortgage and | | | | | | | | |
| Asset-backed securities | 73,476 | - | - | - | 73,476 | - | 73,476 | - |
| Fund Investments | 9,475 | - | - | - | 9,475 | 9,475 | - | - |
| Other Investments Non-current | 249,719 | - | 248,049 | - | 1,670 | - | - | 1,670 |
| Bonds and other fixed | 248,049 | - | 248,049 | - | - | - | - | - |
| Income | | | | | | | | |
| Other Investments | 1,670 | - | - | - | 1,670 | - | - | 1,670 |
| Trade receivables | 954,685 | 954,685 | - | - | - | - | - | - |
| Receivables C and NC | 321,718 | 176,990 | - | - | 2,759 | - | 2,759 | - |
| Foreign exchange derivatives contracts | 2,759 | - | - | - | 2,759 | - | 2,759 | - |
| Other receivables | 176,990 | 176,990 | - | - | - | - | - | - |
| Other receivables (non-Financial) | 141,969 | - | - | - | - | - | - | - |
| Available for sale assets (*) | 21,572 | - | - | 21,572 | - | - | - | 21,572 |
| Total | | 1,224,405 | 494,080 | 21,572 | 1,698,547 | 914,873 | 782,004 | 23,242 |

| | | | | | | | | |
|--|---------|-----------|---|---|--------|---|--------|---|
| Liabilities | | | | | | | | |
| Borrowings C and NC | 840,236 | 840,236 | - | - | - | - | - | - |
| Trade payables | 556,834 | 556,834 | - | - | - | - | - | - |
| Other liabilities | 183,887 | - | - | - | 42,635 | - | 42,635 | - |
| Foreign exchange derivatives contracts | 42,635 | - | - | - | 42,635 | - | 42,635 | - |
| Other liabilities (non-Financial) | 141,252 | - | - | - | - | - | - | - |
| Total | | 1,397,070 | - | - | 42,635 | - | 42,635 | - |

(*) For further detail regarding Available for sale assets, see Note 16.

There were no transfers between Level 1 and 2 during the period.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by Tenaris is the current bid price. These instruments are included in Level 1 and comprise primarily corporate and sovereign debt securities.

The fair value of financial instruments that are not traded in an active market (such as certain debt securities, certificates of deposits with original maturity of more than three months, forward and interest rate derivative instruments) is determined by using valuation techniques which maximize the use of observable market data when available and rely as little as possible on entity specific estimates. If all significant inputs required to value an instrument are observable, the instrument is included in Level 2. Tenaris values its assets and liabilities included in this level using bid prices, interest rate curves, broker quotations, current exchange rates, forward rates and implied volatilities obtained from market contributors as of the valuation date.

If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3. Tenaris values its assets and liabilities in this level using observable market inputs and management assumptions which reflect the Company's best estimate on how market participants would price the asset or liability at measurement date. Main balances included in this level correspond to Available for sale assets related to Tenaris's interest in Venezuelan companies under process of nationalization (see Note 16).

15 Category of financial instruments and classification within the fair value hierarchy (Cont.)

Estimation

Financial assets or liabilities classified as assets at fair value through profit or loss are measured under the framework established by the IASB accounting guidance for fair value measurements and disclosures.

The fair values of quoted investments are generally based on current bid prices. If the market for a financial asset is not active or no market is available, fair values are established using standard valuation techniques.

Some of Tenaris's investments are designated as held to maturity and measured at amortized cost. Tenaris estimates that the fair value of these financial assets is 100.7% of its carrying amount including interests accrued as of June 30, 2017.

The fair value of all outstanding derivatives is determined using specific pricing models that include inputs that are observable in the market or can be derived from or corroborated by observable data. The fair value of forward foreign exchange contracts is calculated as the net present value of the estimated future cash flows in each currency, based on observable yield curves, converted into U.S. dollars at the spot rate of the valuation date.

Borrowings are comprised primarily of fixed rate debt and variable rate debt with a short term portion where interest has already been fixed. They are classified under other financial liabilities and measured at their amortized cost. Tenaris estimates that the fair value of its main financial liabilities is approximately 99.7% of its carrying amount including interests accrued as of June 30, 2017 and as of December 31, 2016. Fair values were calculated using standard valuation techniques for floating rate instruments and comparable market rates for discounting flows.

16 Nationalization of Venezuelan Subsidiaries

In May 2009, within the framework of Decree Law 6058, Venezuela's President announced the nationalization of, among other companies, the Company's majority-owned subsidiaries TAVSA - Tubos de Acero de Venezuela S.A. ("Tavsa") and Matesi Materiales Siderúrgicos S.A. ("Matesi"), and Complejo Siderúrgico de Guayana, C.A. ("Comsigua"), in which the Company has a non-controlling interest (collectively, the "Venezuelan Companies"). Tenaris and its wholly-owned subsidiary Talta - Trading e Marketing Sociedad Unipessoal Lda ("Talta"), initiated arbitration proceedings against Venezuela before the ICSID in Washington D.C. in connection with these nationalizations. For further information, see Note 31 in the Company's audited Consolidated Financial Statements for the year ended December 31, 2016.

Matesi

On January 29, 2016, the tribunal released its award on the arbitration proceeding concerning the nationalization of Matesi. The award upheld Tenaris's and Talta's claim that Venezuela had expropriated their investments in Matesi in violation of Venezuelan law as well as the bilateral investment treaties entered into by Venezuela with the Belgium-Luxembourg Economic Union and Portugal. The award granted compensation in the amount of \$87.3 million for the breaches and ordered Venezuela to pay an additional amount of \$85.5 million in pre-award interest, aggregating to a total award of \$172.8 million, payable in full and net of any applicable Venezuelan tax, duty or charge. The tribunal granted Venezuela a grace period of six months from the date of the award to make payment in full of the amount due without incurring post-award interest, and resolved that if no, or no full, payment was made by then, post-award interest would apply at the rate of 9% per annum.

On March 14, 2016, Venezuela requested the rectification of the award pursuant to article 49(2) of the ICSID Convention and ICSID Arbitration Rule 49. The tribunal denied Venezuela's request on June 24, 2016, ordering Venezuela to reimburse Tenaris and Talta for their costs. On September 21, 2016, Venezuela submitted a request for annulment of the award as well as the stay of enforcement of the award in accordance with the ICSID Convention and Arbitration Rules. The annulment request was registered on September 29, 2016, and an ad hoc committee to hear Venezuela's request was constituted on December 27, 2016. On March 24, 2017, the ad hoc committee rendered its decision to lift the stay of enforcement of the award. The ad hoc committee has not reserved its right to reopen that decision and no appeal against such decision is provided under ICSID's Arbitration Rules. The final hearing on Venezuela's annulment request is set for November 30 – December 1, 2017, and while there is no deadline within the ad hoc committee must render its decision, it is presently expected that the ad hoc committee will render a decision between March and June 2018.

16 Nationalization of Venezuelan Subsidiaries (Cont.)

Tavsa and Comsigua

Concerning the arbitration proceeding relating to the nationalization of Tenaris's shareholdings in Tavsa and Comsigua, on December 12, 2016, the tribunal issued its award upholding Tenaris's and Talta's claim that Venezuela had expropriated their investments in Tavsa and Comsigua in violation of the bilateral investment treaties entered into by Venezuela with the Belgium-Luxembourg Economic Union and Portugal. The award granted compensation in the amount of \$137 million and ordered Venezuela to reimburse Tenaris and Talta \$3.3 million in legal fees and ICSID administrative costs. In addition, Venezuela was ordered to pay interest from April 30, 2008 until the day of effective payment at a rate equivalent to LIBOR + 4% per annum, which as of December 31, 2016 amounted to \$76 million. On April 11, 2017, Venezuela submitted a request for annulment of the award as well as the stay of enforcement of the award in accordance with the ICSID Convention and Arbitration Rules. Venezuela's annulment request was registered on April 14, 2017. The ad hoc committee that will hear Venezuela's request is yet to be constituted. There is no procedural deadline by which ICSID must constitute the ad hoc committee or issue a decision.

Edgardo Carlos
Chief Financial Officer