TENARIS SA
Form 6-K
May 09, 2005

FORM 6 - K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A - 16 OR 15D - 16 OF
THE SECURITIES EXCHANGE ACT OF 1934

As of May 9, 2005

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

TENARIS, S.A.
46a, Avenue John F. Kennedy
L-1855 Luxembourg
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or 40-F.

Form 20-F _\/_ 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- .

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' consolidated condensed interim financial statements as of March 31, 2005.

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: May 9, 2005

Tenaris, S.A.

BY: /S/ CECILIA BILESIO

Cecilia Bilesio
Corporate Secretary

TENARIS S.A.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2005

46a, Avenue John F. Kennedy - 2nd Floor.
L - 1855 Luxembourg

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CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT

(all amounts in USD thousands, unless otherwise stated)

	NOTES	THREE-MONTH PERIOD ENDED 31, 2005	200
		(UNAUDITED)	
Net sales	3	1,452,927	
Cost of sales	4	(865,128)	(
Gross profit		587,799	
Selling, general and administrative expenses	5	(185,083)	(
Other operating income (expenses), net		2,967	
Operating income		405,683	
Financial income (expenses), net	6	(41,807)	
Income before equity in earnings (losses) of associated companies and income tax		363,876	
Equity in earnings (losses) of associated companies		30,163	
Income before income tax		394,039	
Income tax		(114,069)	
Income for the period (1)		279,970	
ATTRIBUTABLE TO (1):			
Equity holders of the Company		264,234	
Minority interest		15,736	
		279,970	
EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY DURING THE PERIOD (1)			
Weighted average number of ordinary shares in issue (thousands)		1,180,537	1,
Earnings per share (USD per share)		0.22	

(1) Up to December 31, 2004 minority interest was shown in the income statement before net income. As required by IAS 1 (revised) as from January 1, 2005 the income for the period disclosed in the income statement does not show minority interest. Earnings per share continue to be calculated on the net income attributable solely to the equity holders of Tenaris (see Note 2 (a)).

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document.

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CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

(all amounts in USD thousands)

	NOTES	AT MARCH 31, 2005 (UNAUDITED)		AT DECEMBER 31, 2
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment, net	7	2,116,339		2,164,601
Intangible assets, net (see Note 2 (b))	7	157,733		49,211
Investments in associated companies		208,108		99,451
Other investments		23,963		24,395
Deferred tax assets		153,946		161,173
Receivables		32,310	2,692,399	151,365
CURRENT ASSETS				
Inventories		1,360,708		1,269,470
Receivables and prepayments		167,690		279,450
Current tax assets		96,604		94,996
Trade receivables		1,131,168		936,931
Other investments		-		119,666
Cash and cash equivalents		477,106	3,233,276	311,579
TOTAL ASSETS			5,925,675	
EQUITY (SEE NOTE 2 (A))				
CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS				
Share capital		1,180,537		1,180,537
Legal Reserves		118,054		118,054
Share Premium		609,733		609,733
Other Distributable Reserve		82		82
Currency translation adjustments		(71,126)		(30,020)
Retained earnings		992,547	2,829,827	617,538
MINORITY INTEREST			178,383	
TOTAL EQUITY			3,008,210	
LIABILITIES				
NON-CURRENT LIABILITIES				
Borrowings		546,896		420,751
Deferred tax liabilities		346,105		371,975
Other liabilities		166,882		172,442
Provisions		33,219		31,776
Trade payables		4,070	1,097,172	4,303
CURRENT LIABILITIES				
Borrowings		578,915		838,591
Current tax liabilities		276,547		222,735
Other liabilities		124,056		176,393
Provisions		36,908		42,636
Customers advances		189,975		127,399
Trade payables		613,892	1,820,293	592,092
TOTAL LIABILITIES			2,917,465	
TOTAL EQUITY AND LIABILITIES			5,925,675	

Contingencies, commitments and restrictions to the distribution of profits are disclosed in Note 8.

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document.

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(all amounts in USD thousands)

	Attributable to equity holders of the Com				
	Share Capital	Legal Reserves	Share Premium	Other Distributable Reserve	Currency translation adjustments
Balance at January 1, 2005	1,180,537	118,054	609,733	82	(30,020)
Effect of adopting IFRS 3 (see Note 2(b))	--	--	--	--	--
Adjusted balance at January 1, 2005	1,180,537	118,054	609,733	82	(30,020)
Currency translation differences	--	--	--	--	(41,106)
Acquisition of minority interest	--	--	--	--	--
Income for the period	--	--	--	--	--
Balance at March 31, 2005	1,180,537	118,054	609,733	82	(71,126)

	Attributable to equity holders of the Com				
	Share Capital	Legal Reserves	Share Premium	Other Distributable Reserve	Currency translation adjustments
Balance at January 1, 2004	1,180,288	118,029	609,269	96,555	(34,194)
Currency translation differences	--	--	--	--	(2,031)
Capital Increase and acquisition of minority interest	249	25	464	82	--
Income for the period	--	--	--	--	--
Balance at March 31, 2004	1,180,537	118,054	609,733	96,637	(36,225)

The Distributable Reserve and Retained Earnings calculated according to Luxembourg Law are disclosed in Note 8 (v).

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document.

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CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

	THREE-MONTH PERIOD END
(all amounts in USD thousands)	2005
	(UNAUDITED
CASH FLOWS FROM OPERATING ACTIVITIES	
Income for the period	279,970
Adjustments for:	
Depreciation and amortization	51,977
Income tax accruals less payments	37,478
Equity in (earnings) losses of associated companies	(30,163)
Interest accruals less payments, net	2,344
Changes in provisions	(4,285)
Proceeding from Fintecna arbitration award net of BHP settlements (See Note 8 (i))	66,594
Change in working capital	(209,878)
Currency translation adjustment and others	(11,344)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	182,693
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	(47,316)
Capital increase and acquisitions of subsidiaries and associated companies	(38)
Cost of disposition of property, plant and equipment and intangible assets	1,442
Dividends and distributions received from associated companies	19,520
Changes in restricted bank deposits	(27,680)
Reimbursement from trust funds	119,666
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	65,594
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	398,269
Repayments of borrowings	(516,422)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(118,153)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	130,134
MOVEMENT IN CASH AND CASH EQUIVALENTS	
At beginning of the period	293,824
Effect of exchange rate changes	(298)
Increase / (decrease) in cash and cash equivalents	130,134

AT MARCH 31,	423,660

CASH AND CASH EQUIVALENTS	AT MARCH
	2005
Cash and bank deposits	477,106
Bank overdrafts	(12,266)
Restricted bank deposits	(41,180)
	423,660

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document.

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

INDEX TO THE NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (In the notes all amounts are shown in USD thousands, unless otherwise stated)

1 BASIS OF PRESENTATION

Tenaris S.A. (the "Company" or "Tenaris"), a Luxembourg corporation (societe anonyme holding), was incorporated on December 17, 2001 to hold investments in steel pipe manufacturing and distributing companies. The Company holds, either directly or indirectly, controlling interests in various subsidiaries.

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 the consolidated condensed interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2004, except for the changes explained in Note 2. These consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements at December 31, 2004.

Certain comparative amounts have been reclassified to conform to changes in presentation in the current period.

The preparation of consolidated condensed interim financial statements requires management to make estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet dates, and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates.

Material intercompany transactions and balances between Tenaris's subsidiaries have been eliminated in consolidation. However, the fact that the measurement currency of some subsidiaries is their respective local currency, generates some financial gains (losses) arising from intercompany transactions, that are included in the consolidated condensed interim income statement under Financial income (expenses), net.

These consolidated condensed interim financial statements were approved by Tenaris's board of directors on May 2, 2005.

2 IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS: INTERNATIONAL FINANCIAL REPORTING STANDARDS

In December 2003, as a part of the IASB's project to improve International Financial Reporting Standards, the IASB released revisions to certain standards including: IAS 1, "Presentation of Financial Statements"; IAS 16, "Property, Plant and Equipment"; IAS 24, "Related Party Disclosures" and IAS 33, "Earnings per Share". The revised standards must be applied for annual periods beginning on or after January 1, 2005. In addition, during 2004 International Financial Reporting Standard (IFRS) 3, "Business Combinations" was issued. The main impacts on the Tenaris consolidated financial statements are:

(a) Presentation of minority interests
IAS 1 (revised) requires disclosure, on the face of the income statement, of the entity's income or loss for the period and the allocation of that amount between "income or loss attributable to minority interest" and "income or loss attributable to equity holders of the parent". Earnings per share continue to be calculated on the net income attributable solely to the equity holders of Tenaris. Also, as from January 1, 2005 minority interests is included as equity in the consolidated balance sheet and not longer shown as a separate category. The effect of this change increased the Company's equity at January 1, 2005 by USD165.3 million.

(b) IFRS 3 - goodwill and negative goodwill
Until December 31, 2004 goodwill was amortized on a straight line basis over its

estimated useful life, not to exceed 15 years, and assessed for an indication of impairment at each balance sheet date. Under IFRS 3, the Company ceased amortization from January 1, 2005; accumulated amortization as at December 31, 2004 has been offset against the cost of goodwill. For years ending December 31, 2005 onwards, goodwill have to be tested annually for impairment, as well as when there are indicators of impairment. Amortization included in the three months period ended March 31, 2004 amounted to USD2.2 million.

Also, IFRS 3 requires accumulated negative goodwill at December 31, 2004 to be derecognized with a corresponding adjustment to retained earnings. The effect of this change is an increase in the opening balance of the Company's equity at January 1, 2005 of USD110.8 million. Amortization included in the three months period ended March 31, 2004 amounted to USD2.2 million.

2 IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS: INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

(c) IAS 39 Financial instruments: recognition and measurement
In accordance with the transition provisions of IAS 39 (revised), the Company designated previously recognized available for sale financial assets as financial assets at fair value through profit or loss. Accordingly, the Company restated the financial asset using the new designation in the comparative financial statements.

Adoption of new or revised standards has been made in accordance with the respective transition provisions.

3 SEGMENT INFORMATION

PRIMARY REPORTING FORMAT: BUSINESS SEGMENTS

	SEAMLESS	WELDED & OTHER METALLIC PRODUCTS	ENERGY	OTHER
THREE-MONTH PERIOD ENDED MARCH 31, 2005			(UNAUDITED)	
Net sales	1,105,252	160,434	143,972	43,269
Cost of sales	(601,517)	(101,631)	(137,484)	(24,496)
Gross profit	503,735	58,803	6,488	18,773
Depreciation and amortization	44,363	3,622	799	3,193
THREE-MONTH PERIOD ENDED MARCH 31, 2004				
Net sales	674,266	66,388	103,923	14,769
Cost of sales	(456,709)	(53,610)	(100,569)	(9,569)
Gross profit	217,557	12,778	3,354	5,200

Depreciation and amortization	48,911	3,010	959	944

Tenaris's main business segment is the manufacture of seamless steel pipes.

SECONDARY REPORTING FORMAT: GEOGRAPHICAL SEGMENTS

	SOUTH AMERICA	EUROPE	NORTH AMERICA	MIDDLE EAST & AFRICA	FAR EAST & OCEANIA
THREE-MONTH PERIOD ENDED MARCH 31, 2005				(UNAUDITED)	
Net sales	354,590	405,743	414,058	146,623	131,913
Depreciation and amortization	21,083	17,781	11,477	11	1,625
THREE-MONTH PERIOD ENDED MARCH 31, 2004					
Net sales	164,519	307,460	198,486	92,008	96,873
Depreciation and amortization	26,432	15,893	9,879	10	1,610

Allocation of net sales is based on the customers' location. Allocation of depreciation and amortization is based on the related assets' location.

Although Tenaris's business is managed on a worldwide basis, the companies forming part of Tenaris operate in the five main geographical areas detailed above.

4 COST OF SALES

	THREE-MONTH PERIOD ENDED MARCH 31, 2005	2004
	(UNAUDITED)	
INVENTORIES AT THE BEGINNING OF THE PERIOD	1,269,470	831,879
PLUS: CHARGES OF THE PERIOD		
Raw materials, energy, consumables and other movements	706,519	453,656
Services and fees	73,495	62,613
Labor cost	99,060	87,352
Depreciation of property, plant and equipment	44,812	46,302

Amortization of intangible assets	1,711	2,301
Maintenance expenses	23,048	19,180
Provisions for contingencies	1,200	-
Allowance for obsolescence	1,264	(1,123
Taxes	975	655
Others	4,282	3,264
	956,366	674,200
LESS: INVENTORIES AT THE END OF THE PERIOD	(1,360,708)	(885,622
	865,128	620,457

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	THREE-MONTH PERIOD ENDED MARCH 31,	
	2005	2004
	(UNAUDITED)	
Services and fees	31,487	25,266
Labor cost	46,035	35,449
Depreciation of property, plant and equipment	2,479	2,544
Amortization of intangible assets	2,975	2,677
Commissions, freights and other selling expenses	68,024	49,459
Provisions for contingencies	1,878	1,275
Allowances for doubtful accounts	5,314	3,721
Taxes	16,822	11,635
Others	10,069	7,792
	185,083	139,818

6 FINANCIAL INCOME (EXPENSES), NET

	THREE-MONTH PERIOD ENDED MARCH 31,	
	2005	2004
	(UNAUDITED)	
Interest expense	(12,442)	(8,693
Interest income	2,959	3,095
Net foreign exchange transaction losses and changes in fair value of derivative instruments (*)	(33,879)	(15,279
Miscellaneous	1,555	5,439
	(41,807)	(15,438

(*) Includes a loss of USD12.4 million originated by Materiales Siderurgicos Matesi S.A.'s debt with Talta and Sidor.

7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, NET

	NET PROPERTY, PLANT AND EQUIPMENT	NET INTANGIBLE ASSETS
	(UNAUDITED)	(UNAUDITED)
THREE-MONTH PERIOD ENDED MARCH 31, 2005		
Opening net book amount	2,164,601	49,211
Effect of adopting IFRS 3 (see Note 2 (b))	-	110,775
Translation differences	(43,788)	(624
Transfers	3	(3
Additions	44,228	3,088
Disposals	(1,414)	(28
Depreciation/ Amortization charge	(47,291)	(4,686
AT MARCH 31, 2005	2,116,339	157,733

8 CONTINGENCIES, COMMITMENTS AND RESTRICTIONS TO THE DISTRIBUTION OF PROFITS

This note should be read in conjunction with Note 25 included in the consolidated financial statements for the year ended December 31, 2004. The significant changes or events since the annual report are the followings:

(i) ARBITRATION PROCEEDING AGAINST FINTECNA

On December 28, 2004 the arbitral tribunal rendered a final award in the arbitration proceeding against Fintecna S.p.A. ("Fintecna"), an Italian state-owned entity and successor to ILVA S.p.A, the former owner of Dalmine S.p.A. ("Dalmine") in which Tenaris sought indemnification from Fintecna for amounts paid or payable by Dalmine to the consortium led by BHP Billiton Petroleum Ltd. ("BHP") regarding the failure of an underwater pipeline, manufactured and sold prior to the privatization of Dalmine. According to this final award, Fintecna paid a total amount of EUR93.8 million (approximately USD124.9 million) on March 15, 2005. In addition, on March 29, 2005 Tenaris prepaid to BHP the final instalment of GBP30.4 million plus interests. Consequently, both BHP settlement agreement and the arbitration proceedings have been definitively concluded.

(II) CONSORCIO SIDERURGIA AMAZONIA, LTD. ("AMAZONIA")

On February 3, 2005 Ylopa Servicos de Consultadoria Lda. ("Ylopa") exercised its option to convert convertible debt instruments it held in Amazonia into common stock. As a result, Tenaris's participation in Amazonia increased from 14.5% to 21.2%, thereby increasing its indirect participation in Siderurgica del Orinoco C.A. ("Sidor") from 8.7% to 12.6%. All of Amazonia's existing shares and shares of Sidor continue to be pledged until the third quarter of 2005.

(III) TAX SITUATION: APPLICATION OF INFLATION ADJUSTMENT PROCEDURES

As explained in Note 25 (iii) of the consolidated financial statements for the year ended December 31, 2004, on February 11, 2005 Siderca S.A.I.C. ("Siderca") obtained the benefits of a promotional regime established by Argentine Law 25.924. For this reason, Siderca withdrew its legal proceeding related to the application of the inflation adjustment procedure in the income tax returns for the year ended December 31, 2002. On February 21, 2005 Siderca paid ARP69.4 million (USD23.8 million). No charges against the income statement arose from this payment, as Tenaris had previously recorded a provision for this matter.

(IV) COMMITMENTS

(a) On March 15, 2005 Complejo Siderurgico de Guayana C.A. ("Comsigua") prepaid 100% of the amount owed to the International Finance Corporation, or IFC, for approximately USD42.5 million, related with project financing loans. Tenaris has applied to the IFC for the release from its proportional guarantee of such project loan.

(IV) COMMITMENTS (CONT'D)

(b) On March 3, 2005 Tenaris Financial Services S.A., a subsidiary of the Company, made a deposit of USD25.0 million at Deutsche Bank AG London Branch as a collateral for a financial transaction between the mentioned bank and another Tenaris subsidiary, generating a restriction on the availability of such funds. Consequently, total restricted cash at March 31, 2005 amounts to USD41.2 million.

(V) RESTRICTIONS TO THE DISTRIBUTION OF PROFITS

Under Luxembourg law, at least 5% of the net income per year calculated in accordance with Luxembourg law and regulations must be allocated to the creation of a reserve until such reserve has reached to an amount equal to 10% of the share capital. At March 31, 2005 the Company has created this reserve in full.

Shareholders' equity at March 31, 2005 under Luxembourg law and regulations comprises the following captions:

Share capital	1,180,537
Legal reserve	118,054
Share premium	609,733
Other distributable reserve	82
Retained earnings including net income for the three month period ended March 31, 2005	731,808
Total shareholders equity according to Luxembourg law	2,640,214

Tenaris may pay dividends to the extent that it has distributable retained earnings and distributable reserve calculated in accordance with Luxembourg law and regulations.

At March 31, 2005, the distributable reserve, including retained earnings, of Tenaris under Luxembourg Law totalled USD731.9 million, as detailed below.

Distributable reserve at December 31, 2004 under Luxembourg law	536,541
Dividends and distributions received	132,776
Other income and expenses for the three-month period ended March 31, 2005	62,573
Distributable reserve at March 31, 2005 under Luxembourg law	731,890

9 BUSINESS ACQUISITIONS, INCORPORATION OF SUBSIDIARIES AND OTHER SIGNIFICANT EVENTS

The financial resources in trust funds at December 31, 2004 (USD119.7 million), were contributed to two wholly-owned Chilean subsidiaries (Inversiones Berna S.A. and Inversiones Lucerna S.A.) on January 1, 2005.

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10 RELATED PARTY DISCLOSURES

The Company is controlled by I.I.I. Industrial Investments Inc. which owns 60.2% of Tenaris's shares and voting rights. The remaining 39.8% is publicly traded. The ultimate controlling entity of the Company is Rocca & Partners S.A., a British Virgin Islands corporation.

The following transactions were carried out with related parties:

THREE-MONTH PERIOD ENDED MARCH 31, 2005 TRANSACTIONS	ASSOCIATED	OTHER	TOTAL
(A) SALES OF GOODS AND SERVICES			
Sales of goods	181	40,686	40
Sales of services	235	2,854	3
	416	43,540	43
(B) PURCHASES OF GOODS AND SERVICES			
Purchases of goods	27	17,649	17
Purchases of services	40	16,239	16
	67	33,888	33

THREE-MONTH PERIOD ENDED MARCH 31, 2004

TRANSACTIONS	ASSOCIATED	OTHER	TOTAL
(A) SALES OF GOODS AND SERVICES			
Sales of goods	337	12,047	12
Sales of services	1,477	2,803	4
	1,814	14,850	16
(B) PURCHASES OF GOODS AND SERVICES			
Purchases of goods	-	11,205	11
Purchases of services	-	8,340	8
	-	19,545	19

AT MARCH 31, 2005

PERIOD-END BALANCES	ASSOCIATED	OTHER	TOTAL
(A) ARISING FROM SALES/PURCHASES OF GOODS/SERVICES			
Receivables from related parties	2,032	50,517	52
Payables to related parties	(9)	(18,568)	(18
	2,023	31,949	33
(B) CASH AND CASH EQUIVALENTS			
Time deposits	-	6	
(C) OTHER BALANCES			
Receivables	2,080	107	2
(D) FINANCIAL DEBT			
Borrowings and overdrafts (1)	-	(52,363)	(52

(1) Includes borrowings from Sidor to Matesi, Materiales Siderurgicos S.A. (USD52,363 at March 31, 2005)

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10 RELATED PARTY DISCLOSURES (CONT'D.)

AT DECEMBER 31, 2004

PERIOD-END BALANCES	ASSOCIATED	OTHER	TOTAL
(A) ARISING FROM SALES/PURCHASES OF GOODS/SERVICES			
Receivables from related parties	3,396	49,267	52,663

Payables to related parties	(49)	(17,352)	(17,401
	3,347	31,915	35,262
(B) CASH AND CASH EQUIVALENTS			
Time deposits	-	6	6
(C) OTHER BALANCES			
Trust fund	-	119,666	119,666
Convertible debt instruments - Ylopa	121,955	-	121,955
(D) FINANCIAL DEBT			
Borrowings and overdrafts (1)	-	(56,906)	(56,906

(1) Includes borrowings from Sidor to Matesi, Materiales Siderurgicos S.A. (USD51,457 at December 31, 2004)

Carlos Condorelli
Chief Financial Officer