

Ternium S.A.
Form 6-K
November 04, 2010

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 11/3/2010

Ternium S.A.

(Translation of Registrant's name into English)

**Ternium S.A.
46a, Avenue John F. Kennedy 2nd floor**

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(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):

Not applicable

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 Ternium S.A.'s press release announcing third quarter 2010 results.

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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.

TERNIUM S.A.

By: /s/ Pablo Brizzio
Name: Pablo Brizzio
Title: Chief Financial Officer

By: /s/ Daniel Novegil
Name: Daniel Novegil
Title: Chief Executive Officer

Dated: November 3, 2010

Sebastián Martí

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Ternium Announces Third Quarter and First Nine Months of 2010 Results

Luxembourg, November 3, 2010 □ Ternium S.A. (NYSE: TX) today announced its results for the third quarter and nine-month period ended September 30, 2010.

The financial and operational information contained in this press release is based on Ternium S.A.'s consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and presented in U.S. dollars and metric tons.

Third Quarter 2010 Highlights

Shipments (tons)	2,009,000	2,031,000 -1%	1,683,000 19%
Net Sales (US\$ million)	1,877.2	1,926.6 -3%	1,278.8 47%
Operating Income (US\$ million)	267.6	359.2 -26%	158.9 68%
EBITDA (US\$ million)	362.3	453.2 -20%	254.3 42%
EBITDA Margin (% of net sales)	19.3%	23.5%	19.9%
EBITDA per Ton, Flat & Long Steel (US\$)	172	213 -19%	148 16%
Net Foreign Exchange Result (US\$ million)	32.0	(32.8)	(47.6)
Net Income (US\$ million)	200.8	230.7 -13%	104.7 92%
Equity Holders' Net Income (US\$ million)	151.7	187.6 -19%	88.5 71%
Earnings per ADS (US\$)	0.76	0.94 -19%	0.44 71%

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- EBITDA¹ of US\$362.3 million in the third quarter 2010, down 20% compared to the second quarter 2010, as a result of higher cost per ton and a slight decrease in shipments and revenue per ton.
- Earnings per American Depositary Share (ADS)² of US\$0.76 in the third quarter 2010 compared to US\$0.94 in the second quarter 2010. The third quarter 2010 result includes a US\$0.06 after-tax non-cash foreign exchange gain per ADS on Ternium's Mexican subsidiary's US dollar denominated net debt, compared to a US\$0.10 after-tax non-cash foreign exchange loss per ADS on Ternium's Mexican subsidiary's US dollar denominated net debt in the second quarter 2010.
- Collection of US\$204.0 million in August 2010 in connection with the transfer of the Sidor shares to Venezuela. The last payment of US\$257.4 million is due during the current month.
- Net cash position of US\$0.6 billion at the end of the third quarter 2010.

¹EBITDA in the third quarter 2010 equals operating income of US\$267.6 million plus depreciation and amortization of US\$94.7 million.

²Each American Depositary Share (ADS) represents 10 shares of Ternium's common stock. Results are based on a weighted average number of shares of common stock outstanding of 2,004,743,442.

Ternium's operating income in the third quarter 2010 was US\$267.6 million, a decrease of 26% from US\$359.2 million in the second quarter 2010, mainly due to higher cost per ton and slightly lower shipments and revenue per ton. Cost per ton increased mainly as a result of higher cost for purchased slabs and scrap. Shipments decreased 21,000 tons in the third quarter 2010 compared to the second quarter 2010, mainly due to a 71,000 ton decrease in shipments in the North America Region, partially offset by increases in the South & Central America and Europe & Other regions. Revenue per ton decreased US\$10 in the third quarter 2010 compared to the second quarter 2010, mainly as a result of lower revenue per ton in the North America Region partially offset by higher revenue per ton in the South & Central America Region.

Operating income in the third quarter 2010 increased US\$108.7 million when compared to the third quarter 2009, mainly due to higher shipments and revenue per ton, partially offset by higher cost per ton. Shipments and revenue per ton in the third quarter 2009 were negatively affected by the global economic downturn that began in the second half of 2008.

Ternium's net income in the third quarter 2010 was US\$200.8 million, a decrease of US\$29.8 million compared to the second quarter 2010 mainly due to a US\$91.6 million decrease in operating income partially offset by a US\$64.9 million increase in non-cash net foreign exchange results mainly related to Ternium's Mexican subsidiary's US dollar denominated net debt (which was offset by changes in Ternium's net equity position).

Net income in the third quarter 2010 increased US\$96.2 million when compared to the third quarter 2009. The year-over-year change in net income was mainly driven by the above mentioned US\$108.7 million increase in operating income and a US\$79.7 million increase in non-cash foreign exchange results mainly related to Ternium's Mexican subsidiary's US dollar denominated net debt (which was offset by changes in Ternium's net equity position), partially offset by a US\$72.3 million increase in income tax expense.

First Nine Months of 2010 Highlights

Shipments (tons)	5,948,000	4,706,000	26%
Net Sales (US\$ million)	5,454.5	3,593.8	52%
Operating Income (US\$ million)	920.3	80.3	1046%
EBITDA (US\$ million)	1,200.3	392.6	206%
EBITDA Margin (% of net sales)	22.0%	10.9%	
EBITDA per Ton, Flat & Long Steel (US\$)	192	77	149%
Net Foreign Exchange Result (US\$ million)	100.2	10.9	
Discontinued Operations Result (US\$ million)	-	428.0	
Net Income (US\$ million)	676.6	572.3	18%
Equity Holders' Net Income (US\$ million)	544.6	558.1	-2%
Earnings per ADS (US\$)	2.72	2.78	-2%

- EBITDA³ of US\$1.2 billion in the first nine months of 2010, an increase of US\$807.7 million compared to the first nine months of 2009, mainly due to higher shipments and revenue per ton, partially offset by a higher cost per ton.
- Earnings per ADS of US\$2.72 in the first nine months of 2010, compared to US\$2.78 in the first nine months of 2009. The first nine months of 2009 included a US\$2.05 after-tax discontinued operations gain as a result of the transfer of the Sidor shares to Venezuela. The first nine months of 2010 result includes a US\$0.28 after-tax non-cash foreign exchange gain per ADS on Ternium's Mexican subsidiary's US dollar denominated net debt, compared to a US\$0.02 after-tax non-cash foreign exchange gain per ADS on Ternium's Mexican subsidiary's US dollar denominated net debt in first nine months of 2009.
- Collection of US\$767.4 million during the first nine months of 2010 in connection with the transfer of the Sidor shares to Venezuela.

Ternium's operating income in the first nine months of 2010 was US\$920.3 million, compared to US\$80.3 million in the first nine months of 2009. The increase was mainly due to an additional 1.2 million tons in shipments and US\$148 in revenue per ton, partially offset by a slightly higher operating cost per ton. Shipments and revenue per ton in the first nine months of 2009 were significantly impacted by the global economic downturn during the period.

Net income was US\$676.6 million in the first nine months of 2010, US\$104.3 million higher than net income in the first nine months of 2009. There were no discontinued operations results in the first nine months of 2010, whereas there was a US\$428.0 million discontinued

operations gain in the first nine months of 2009 related to the transfer of the Sidor shares to Venezuela. The year-over-year change in net income was also driven by the above mentioned US\$839.9 million increase in operating income and a US\$89.3 million increase in non-cash net foreign exchange results mainly related to Ternium's Mexican subsidiary's US dollar denominated net debt (which was offset by changes in Ternium's net equity position) partially offset by a US\$377.2 million change in income tax results.

³EBITDA in the first nine months 2010 equals operating income of US\$920.3 million plus depreciation and amortization of US\$280.0 million.

Outlook

Ternium anticipates that steel demand in Latin America, driven by solid economic growth, will continue to recover. However, as a result of normal seasonal patterns, the company's shipments in the coming quarters are expected to remain relatively stable compared to shipment levels in the third quarter 2010.

The company anticipates a decrease in operating margin in the fourth quarter 2010 compared to the third quarter 2010 as a result of lower prices and higher cost per ton. The increased raw material and purchased slabs prices during the second and third quarter 2010 are expected to continue being gradually reflected in Ternium's cost of sales during the fourth quarter 2010.

Analysis of Third Quarter 2010 Results

Net income attributable to Ternium's equity holders in the third quarter 2010 was US\$151.7 million, compared to US\$88.5 million in the third quarter 2009. Including minority interest, net income for the third quarter 2010 was US\$200.8 million, compared to US\$104.7 million in the third quarter 2009. Earnings per ADS in the third quarter 2010 were US\$0.76, compared to US\$0.44 in the third quarter 2009.

Net sales in the third quarter 2010 were US\$1.9 billion, 47% higher than net sales in the third quarter 2009. Shipments of flat and long products were 2.0 million tons during the third quarter 2010, an increase of 19% compared to shipments in the third quarter 2009, mainly due to an increase in demand in the South & Central America Region. Revenue per ton shipped was US\$914 in the third quarter 2010, an increase of 22% compared to the same quarter in 2009, mainly as a result of higher prices in all of Ternium's regions.

	Net Sales (million US\$)			Shipments (thousand tons)			Revenue / ton (US\$/ton)		
South & Central America (1)	775.9	443.3	75%	748.2	513.8	46%	1,037	863	20%
North America	841.0	652.1	29%	909.2	872.8	4%		747	24%
Europe & other	2.7	15.6		4.9	25.3		925	616	
Total flat products	1,619.5	1,111.0	46%	1,662.3	1,411.9	18%	539	787	24%
South & Central America (1)	46.5	12.6	269%	72.7	26.3	176%	974	478	34%
North America	153.6	134.0	15%	247.6	244.6	1%	639	548	13%
Europe & other	16.9	-		26.6	-		620	-	
Total long products	217.0	146.6	48%	347.0	271.0	28%	635	541	16%
Total flat and long products	1,836.5	1,257.6	46%	2,009.3	1,682.8	19%	914	747	22%
Other products (2)	40.7	21.2	92%						
Total Net Sales	1,877.2	1,278.8	47%						