

Ternium S.A.  
Form 6-K  
February 22, 2011

**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 2/22/2011**

**Ternium S.A.**

(Translation of Registrant's name into English)

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

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**L-1855 Luxembourg**

**(352) 4661-11-3815**

(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**

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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 fourth quarter 2010 results.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERNIUM S.A.

By: /s/ Pablo Brizzio

By: /s/ Daniel Novegil

Name: Pablo Brizzio

Name: Daniel Novegil

Title: Chief Financial Officer

Title: Chief Executive Officer

Dated: February 22, 2011

**Sebastián Martí**

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**Ternium Announces Fourth Quarter and Full Year 2010 Results**

Luxembourg, February 22, 2011 □ Ternium S.A. (NYSE: TX) today announced its results for the fourth quarter and twelve-month period ended December 31, 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.*

**Summary of Fourth Quarter 2010 Results**

Shipments (tons)	2,106,000	2,009,000	5%	1,655,000	27%
Net Sales (US\$ million)	1,927.5	1,877.2	3%	1,365.2	41%
Operating Income (US\$ million)	133.7	267.6	-50%	216.1	-38%
EBITDA (US\$ million)	237.0	362.3	-35%	315.9	-25%
EBITDA Margin (% of net sales)	12.3%	19.3%		23.1%	
EBITDA per Ton, Flat & Long Steel (US\$)	109	172	-37%	177	-39%
Net Foreign Exchange Result (US\$ million)	23.5	32.0		72.2	
Net Income (US\$ million)	102.8	200.8	-49%	194.8	-47%
Equity Holders' Net Income	77.5	151.7	-49%	159.3	-51%

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(US\$ million)

Earnings per ADS (US\$)	0.39	0.76	-49%	0.79	-51%
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- EBITDA <sup>1</sup> of US\$237.0 million in the fourth quarter 2010, down 35% compared to the third quarter 2010 as a result of higher cost per ton and lower revenue per ton, partially offset by a slight increase in shipments. EBITDA <sup>2</sup> of US\$1.4 billion in 2010, up 103% year-over-year.
- Earnings per American Depositary Share (ADS) <sup>3</sup> of US\$0.39 in the fourth quarter 2010 compared to US\$0.76 in the third quarter 2010. EPADS of US\$3.10 in 2010, down 13% year-over-year.
- Net cash position of US\$0.7 billion as of December 31, 2010.

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<sup>1</sup> EBITDA in the fourth quarter 2010 equals operating income of US\$133.7 million plus depreciation and amortization of US\$103.3 million.

<sup>2</sup> EBITDA in 2010 equals operating income of US\$1.1 billion plus depreciation and amortization of US\$383.3 million.

<sup>3</sup> Each 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 fourth quarter 2010 was US\$133.7 million, a decrease of US\$133.9 million compared to the third quarter 2010, mainly due to higher cost per ton as a result of increased raw material and purchased slab prices and a slight reduction in revenue per ton, partially offset by an increase in shipments. Shipments increased 97,000 tons in the fourth quarter 2010 compared to the third quarter 2010, mainly due to a 75,000 ton increase in shipments in the North America Region and an 18,000 ton increase in the South & Central America Region.

Operating income in the fourth quarter 2010 decreased US\$82.4 million when compared to the fourth quarter 2009, mainly due to higher cost per ton partially offset by higher revenue per ton and shipments. Cost per ton increased year-over-year mainly as a result of higher raw material and purchased slab prices. Shipments and revenue per ton increased in the fourth quarter 2010 compared to the fourth quarter 2009 in all of Ternium's regions.

Ternium's net income in the fourth quarter 2010 was US\$102.8 million, a decrease of US\$98.0 million compared to the third quarter 2010 mainly due to the above mentioned US\$133.9 million decrease in operating income and a US\$14.2 million decrease in net financial income, partially offset by a US\$47.7 million decrease in income tax expense.

### Summary of Full Year 2010 Results

Shipments (tons)	8,055,000	6,361,000	27%
Net Sales (US\$ million)	7,382.0	4,959.0	49%
Operating Income (US\$ million)	1,053.9	296.4	256%
EBITDA (US\$ million)	1,437.2	708.5	103%
EBITDA Margin (% of net sales)	19.5%	14.3%	
EBITDA per Ton, Flat & Long Steel (US\$)	170	103	65%
Net Foreign Exchange Result (US\$ million)	123.7	83.1	
Discontinued Operations Result (US\$ million)	-	428.0	
Net Income (US\$ million)	779.5	767.1	2%
Equity Holders' Net Income (US\$ million)	622.1	717.4	-13%
Earnings per ADS (US\$)	3.10	3.58	-13%

- EBITDA of US\$1.4 billion in 2010, an increase of US\$728.7 million compared to 2009, mainly due to higher revenue per ton and shipments, partially offset by higher cost per ton.
- Earnings per ADS of US\$3.10 in 2010, compared to US\$3.58 in 2009. Earnings per ADS in 2009 included a US\$2.05 after-tax discontinued operations gain as a result of the transfer of the Sidor shares to Venezuela.

Ternium's operating income in 2010 was US\$1.1 billion, compared to US\$296.4 million in 2009. The increase was mainly due to a US\$137 increase in revenue per ton and a 1.7 million ton increase in shipments, partially offset by a US\$57 increase in operating cost per ton. Shipments and revenue per ton in 2009 were significantly impacted by the global economic downturn during the period.

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Net income was US\$779.5 million in 2010, compared to US\$767.1 million in 2009. There were no discontinued operations results in 2010, whereas there was a US\$428.0 million discontinued operations gain in 2009 related to the transfer of the Sidor shares to Venezuela. The year-over-year change in net income also included the above mentioned US\$757.6 million increase in operating income and a US\$315.4 million increase in income tax expense.

### **Repurchase of Ternium Shares from Usiminas and Closing of Secondary Public Offering**

Following the closing of an underwritten public offering by Usinas Siderúrgicas de Minas Gerais S.A. ("Usiminas") of Ternium ADSs on February 15, 2011, Ternium and its controlling shareholder Techint Holdings S.à.r.l. ("Techint") purchased from Usiminas 41,666,666 and 27,777,780 Ternium shares, respectively. On February 18, 2011, following the sale of additional shares pursuant to the exercise by the underwriters of their over-allotment option, the ADSs available for trading, or the "free float", have increased from 13.65% to 24.44% of the Company's share capital.

### **Annual Dividend Proposal**

Ternium's board of directors proposed that an annual dividend of US\$0.075 per share (US\$0.75 per ADS), or approximately US\$150.4 million in the aggregate, be approved at the company's annual general shareholders' meeting, which is scheduled to be held on June 1, 2011. If the annual dividend is approved at the shareholders' meeting, it will be paid on June 9, 2011.

### **Outlook**

Ternium expects the NAFTA region to accelerate its growth rate in 2011, with higher industrial activity in Mexico driving local demand for steel products. The company also anticipates that South America's economies will continue to grow during 2011.

Ternium expects an improvement in operating income in the first quarter 2011 compared to the fourth quarter 2010, mainly as a result of a recovery in operating margin in the North



America Region due to an increase in prices and higher shipment levels, partially offset by an increase in cost per ton during the same period.

#### Analysis of Fourth Quarter 2010 Results

**Net income attributable to Ternium's equity holders** in the fourth quarter 2010 was US\$77.5 million, compared to US\$159.3 million in the fourth quarter 2009. Including minority interest, net income for the fourth quarter 2010 was US\$102.9 million, compared to US\$194.8 million in the fourth quarter 2009. Earnings per ADS in the fourth quarter 2010 were US\$0.39, compared to US\$0.79 in the fourth quarter 2009.

**Net sales** in the fourth quarter 2010 were US\$1.9 billion, 41% higher than net sales in the fourth quarter 2009. Shipments of flat and long products were 2.1 million tons during the fourth quarter 2010, an increase of 27% compared to shipments in the fourth quarter 2009, mainly due to an increase in demand in Ternium's main steel markets. Revenue per ton shipped was US\$900 in the fourth quarter 2010, an increase of 13% compared to the same quarter in 2009, mainly as a result of higher prices.

	Net Sales (million US\$)			Shipments (thousand tons)			Revenue / ton (US\$/ton)		
North America	859.8	616.4	39%	979.6	772.3	27%	878	798	10%
South & Central America	798.3	546.9	46%	773.7	602.0	29%	1,032	909	14%
Europe & other	9.9	6.5		16.1	13.4		619	482	
Total flat products	1,668.1	1,169.8	43%	1,769.3	1,387.6	28%	943	843	12%
North America	170.7	124.6	37%	252.3	226.5	11%	677	550	23%
South & Central America	48.1	20.0	141%	64.8	37.5	73%	742	533	39%
Europe & other	9.8	1.5		20.1	3.1		490	500	
Total long products	228.6	146.1	56%	337.1	267.0	26%	678	547	24%
<b>Total flat and long products</b>	<b>1,896.7</b>	<b>1,315.9</b>	<b>44%</b>	<b>2,106.4</b>	<b>1,654.6</b>	<b>27%</b>	<b>900</b>	<b>795</b>	