

Ternium S.A.  
Form 6-K  
December 06, 2007

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6 - K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a - 16 or 15d - 16 of**

**the Securities Exchange Act of 1934**

*As of 12/6/2007*

**Ternium S.A.**

**(Translation of Registrant's name into English)**

**Ternium S.A.**

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

**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):

**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 presentation at the third quarter and first nine months of 2007 results teleconference.

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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/ Roberto Philipps  
Name: Roberto Philipps  
Title: Chief Financial Officer  
Dated: December 6, 2007

November 7, 2007  
3Q  
2007  
Results  
Teleconference

November 2007  
Ternium  
2  
Forward-Looking Statements  
This  
presentation  
contains  
certain

forward-looking  
statements  
and  
information  
relating  
to  
Ternium  
S.A.  
and  
its  
subsidiaries  
(collectively,  
Ternium )  
that  
are  
based  
on  
the  
current  
beliefs  
of  
its  
management  
as  
well  
as  
assumptions  
made  
by  
and  
information  
currently  
available  
to  
Ternium.  
Such  
statements  
reflect  
the  
current  
views  
of  
Ternium  
with  
respect  
to  
future  
events  
and  
are

subject  
to  
certain  
risks,  
uncertainties  
and  
assumptions.  
Many  
factors  
could  
cause  
the  
actual  
results,  
performance  
or  
achievements  
of  
Ternium  
to  
be  
materially  
different  
from  
any  
future  
results,  
performance  
or  
achievements  
that  
may  
be  
expressed  
or  
implied  
by  
such  
forward-looking  
statements,  
including,  
among  
others,  
changes  
in  
general  
economic,  
political  
conditions  
in

the  
countries  
in  
which  
Ternium  
does  
business  
or  
other  
countries  
which  
have  
an  
impact  
on  
Ternium's  
business  
activities  
and  
investments,  
changes  
in  
interest  
rates,  
changes  
in  
inflation  
rates,  
changes  
in  
exchange  
rates,  
the  
degree  
of  
growth  
and  
the  
number  
of  
consumers  
in  
the  
markets  
in  
which  
Ternium  
operates  
and  
sells

its  
products,  
changes  
in  
steel  
demand  
and  
prices,  
changes  
in  
raw  
material  
and  
energy  
prices  
or  
difficulties  
in  
acquiring  
raw  
materials  
or  
energy  
supply  
cut-offs,  
changes  
in  
business  
strategy  
and  
various  
other  
factors.  
Should  
one  
or  
more  
of  
these  
risks  
or  
uncertainties  
materialize,  
or  
should  
underlying  
assumptions  
prove  
incorrect,  
actual

results  
may  
vary  
materially  
from  
those  
described  
herein  
as  
anticipated,  
believed,  
estimated,  
expected  
or  
targeted.  
Ternium  
does  
not  
intend,  
and  
does  
not  
assume  
any  
obligation,  
to  
update  
these  
forward-looking  
statements.

November 2007  
Ternium  
3  
Industry Outlook  
World apparent steel use  
Source:  
IISI (2007-2008  
SRO Autumn 07

2009-2012 MTF Oct06)

341  
352  
375  
398  
419  
128  
117  
134  
123  
128  
51  
53  
55  
64  
69  
220  
246  
255  
260  
37  
44  
49  
55  
62  
66  
70  
74  
78  
501  
526  
559  
594  
983  
955  
929  
902  
225  
477  
428  
384  
353  
297  
1.079  
1.138  
1.242  
1.414  
1.588  
1.524  
1.323

1.655  
1.468  
0  
200  
400  
600  
800  
1.000  
1.200  
1.400  
1.600  
1.800  
2004  
2005  
2006  
2007  
(p)  
2008  
(p)  
2009  
(p)  
2010  
(p)  
2011  
(p)  
2012  
(p)  
OTROS  
USA  
LATAM  
EUROPA  
INDIA  
CHINA

November 2007

Ternium

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Industry Outlook

GDPs

Source: IISI / World Research Centre / IMF

Annual GDP growth rate

2003

2004  
2005  
2006  
2007 [e]  
2008 [p]  
China  
10,0  
10,1  
10,4  
11,1  
11,5  
10,9  
USA  
2,5  
3,6  
3,1  
2,9  
2,0  
2,0  
Latam  
2,1  
6,0  
4,5  
5,4  
4,9  
4,7  
Argentina  
8,8  
9,0  
9,2  
8,5  
7,1  
6,5  
Brasil  
1,1  
5,7  
2,9  
3,7  
4,4  
4,0  
Colombia  
3,9  
4,9  
4,7  
6,8  
6,6  
4,8  
Mexico  
1,4  
4,2

2,8  
4,8  
3,0  
3,0  
Venezuela  
-7,6  
17,7  
10,3  
10,3  
8,7  
7,4  
Europa  
1,3  
2,3  
1,9  
3,1  
2,9  
2,4  
World  
2,7  
4,0  
3,5  
3,9  
3,6  
3,5

November 2007  
Ternium  
5  
Industry Outlook  
Prices  
117  
Avg. Gap  
0

100  
200  
300  
400  
500  
600  
700  
800  
900  
0  
100  
200  
300  
400  
500  
600  
700  
800  
900

HRC-Slab gap  
HRC USA Midwest  
Slab USA Import  
Source: CRU

November 2007  
Ternium  
6  
4  
6  
8  
10  
12

Jan-  
04  
Apr-  
04  
Jul-  
04  
Oct-  
04  
Jan-  
05  
Apr-  
05  
Jul-  
05  
Oct-  
05  
Jan-  
06  
Apr-  
06  
Jul-  
06  
Oct-  
06  
Jan-  
07  
Apr-  
07  
Jul-  
07  
4  
7  
10  
13  
16

Source: AISI / MSCI  
Industry Outlook  
USA: Crude steel production vs  
SC Inventories

November 2007  
Ternium  
7  
Industry Outlook  
Raw Materials  
Source: Clarkson  
Source: CVRD  
Source: CRU

US\$/t

2004

2005

2006

Actual

Tubarao

a China

35

30

28

88

IRON ORE

NATURAL GAS (HENRY HUB)

FREIGHTS (PANAMAX DAILY RENTAL)

COKE EXPORTS (FOB CHINA)

23

23

25

30

53

63

69

10

20

30

40

50

60

70

80

2001

2002

2003

2004

2005

2006

2007

4,0

3,4

5,5

6,2

9,0

7,0

7,1

0,0

1,0

2,0

3,0

4,0

5,0

6,0  
7,0  
8,0  
9,0  
10,0  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
93  
0  
15  
30  
45  
60  
75  
90  
145  
295  
0  
50  
100  
150  
200  
250  
300  
350  
+ 103%

November 2007  
Ternium  
8  
Grupo Imsa  
Hylsamex Integration

April 29th: Contract signing for the acquisition of Imsa

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From May to July: Development of a 100 days plan

July 26th: IMSA consolidated into Ternium's Financials

August 7th: Mexican operations under one new functional structure

March 31st 2008: Estimated date for Hylsamex-  
Grupo  
Imsa merger

November 2007

Ternium

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Mills specialization

Procurement & logistics

Management reorganization

Marketing consolidation

Working Capital reduction

Larger runs, dedicated mills, rationalization of attributes, higher efficiencies

Improved purchasing through Exiros, efficiencies arising from the supply chain management system

Lower head count, decrease in administrative & general expenses and simplified legal & accounting structure

Unified marketing effort, better use of distribution channels

Grupo Imsa's

expected integration synergies

Initiatives launched during 3Q 2007 estimated to reach over US\$200 million per year in pre-tax benefits in the medium term



November 2007

Ternium

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Ongoing investment plan for 2007-2010 worth

US\$2.0 billion

Combined production capacity of selected products

(million metric tons per year)

Strong growth in value added product offerings

Capital expenditures in synch with Grupo Imsa integration

Partial reduction of crude steel production capacity gap (more expansions needed)

2006

Imsa

Capex

2010

Crude steel - flat

8.3

1.7

10.0

+20%

Hot rolled coils

8.0

2.3

0.8

11.1

+39%

Cold rolled coils

4.1

1.9

0.5

6.5

+59%

Tinplated products

0.4

0.4

Galvanized products

1.2

1.7

0.3  
3.2  
+167%  
Prepainted products  
0.3  
0.9  
0.2  
1.4  
+367%  
Crude steel - long  
2.7  
0.5  
3.2  
+19%  
Rebars & wire rods  
2.1  
0.2  
2.3  
+10%

November 2007  
Ternium  
11  
450  
680  
490  
420  
2007E

2008E

2009E

2010E

Total investments (US\$ million)

Ongoing investment plan for 2007-2010 worth

US\$2.0 billion

Ternium Mexico

Hot rolling mills (+730,000 metric tons/year; US\$180 million)

2007 & 2008

Cold rolling mills (+530,000 metric tons/year; US\$65 million)

2008

Service centers (+280,000 metric tons/year; US\$30 million)

2007

Ternium Argentina

Slab production (+1,2 million metric tons/year; US\$570 million<sup>1</sup>)

2010

Hot rolling mill (+130,000 metric tons/year; US\$35 million)

2010

Hot rolling mill (+170,000 metric tons/year; US\$30 million)

2012

Main capacity expansion projects

1

Includes improvements in infrastructure related to logistics, services and port facilities

November 2007  
Ternium  
12  
TECOMAN  
C.DE ORTEGA  
EL RANCHITO  
AQUILA  
MINA AQUILA

COAHUAYANA NUEVO  
A LAZARO CARDENAS  
COLOMERA  
MAQUILI  
LA PLACITA DE MORELOS  
MANZANILLO  
COLIMA  
PUEBLO  
COQUIMATLAN  
IXTLAHUACAN  
MIRAFLORES  
CAMOTLAN DE  
MINATITLAN  
COMALA  
V. DE ALVAREZ  
QUESERIA  
CUAUHTEMOC  
ARMERIA  
A GUADALAJARA  
A GUADALAJARA  
A CIHUATLAN  
NAHUATL  
PENA  
PIHUAMO  
EL ENCINO  
ESTADO DE  
JALISCO  
ESTADO DE  
JALISCO  
MICHOACAN  
ESTADO DE  
ALZADA  
JALA  
COLORADA  
CERRO  
JUAREZ  
EL VENADO  
CHILILLO  
92 Km  
6 Km  
22 Km  
Mining  
Iron ore reserves prospecting in progress  
Pellet  
Plant  
6  
5  
Mines in Operation:  
1-  
Aquila (Michoacán)

2-

Cerro Náhuatl  
(Colima)

3-

El Encino (Jalisco)

4-

Peña Colorada (Colima)

Projects under exploration:

5-

Colomera (Michoacán)

6-

Sierra del Alo  
(Jalisco)

7-

Arrayanes (Colima)

1

2

3

4

7

Sierra del Alo

Pellet

Plant

Studies to be completed in 2H 2008

November 2007

Ternium

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Mining Expansion

Current

Reserves (\*) [MMt]

(\*) Does not include recent acquisition

Development subject to certification of iron ore reserves, currently in progress

Total  
iron  
ore  
production  
target  
of  
8.0  
million  
tons  
per  
year  
of  
concentrates,  
up  
from current 4.5 million tons per year  
New mining concession in the Mexican State of Michoacán. 56,000 acres added  
to  
existing  
concessions.  
Convenient  
location  
allows  
for  
an  
easy  
integration  
with  
Ternium's actual mining operations.

Probable

Proven

Total

Total Reserves (Million tons)

233

96

329

Las Encinas

211

49

260

Peña Colorada (1)

22

47

69

Supply in years (2)

60

25

85

(1) 50% of Peña Colorada total reserves

(2) Considering pellet saturation at current capacity

November 2007

Ternium

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Ternium's performance in 3Q 2007

3Q 2007 EBITDA of US\$588 million, or 25% of net sales

Sales

up

mainly  
due  
to  
consolidation  
of  
Grupo  
Insa

Lower  
Ebitda  
on  
account  
of  
higher  
costs

Lower  
Ebitda  
margin  
due  
to  
higher  
costs  
and  
Grupo  
Insa  
consolidation

3Q 2007  
Shipments (million tons)

2.7

2.2

23%

2.6

6%

Net Sales (US\$ million)

2,343.4

1,740.4

35%

1,961.1

19%

Operating Income (US\$ million)

432.6

508.2

-15%

450.6

-4%

EBITDA

\*

(US\$ million)

587.9

614.9

-4%

580.8

1%

EBITDA Margin (% of net sales)

25%

35%

30%

Net Income (US\$ million)

214.0

354.0

-40%

315.0

-32%

2Q 2007

3Q 2006

November 2007  
Ternium  
15  
Strong  
free  
cash  
flow<sup>1</sup>  
generation

Free cash flow of US\$735 million in 9M 2007, US\$840 million for the year 2006

Free cash flow in the third quarter 2007 of US\$35 million was impacted by a one-time US\$296 million income tax payment related to the acquisition of Grupo Inmsa (tax credit)

Ternium's performance in 3Q 2007

224

207

261

191

180

428

272

35

224

207

261

191

180

428

272

331

296

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

Free cash flow (US\$ million)

Tax Adjustment

1

Free cash flow equals net cash provided by operating activities

less capital expenditures

2

November 2007

Ternium

16

Third quarter 2007 EBITDA of US\$588 million

54

29

10

(84)

(15)  
(22)  
615  
588  
534  
400  
450  
500  
550  
600  
650  
700  
EBITDA  
3Q06  
Shipments  
Revenue  
per Ton  
Cost per  
Ton  
SG&A  
Other  
EBITDA  
3Q07 excl.  
IMSA  
EBITDA  
IMSA  
EBITDA  
3Q07

November 2007  
Ternium  
17  
386  
417  
328  
216  
265

214  
 191  
 116  
 100  
 659  
 472  
 218  
 124  
 3,693  
 1,606  
 477  
 232  
 125  
 2,916  
 1,586  
 1,057  
 567  
 4,134  
 424  
 Dic-05  
 Jun-06  
 Dic-06  
 Jun-07  
 Sep-07  
 Holding's debt  
 Mexican subsidiaries' debt  
 Amazonia / Sidor's debt  
 Siderar's debt  
 Cash & equivalents  
 Net debt increased to US\$2.9 billion as a  
 result of the acquisition of Grupo Imsa  
 Cash & equivalents  
 771  
 916  
 643  
 731  
 1,194  
 Borrowings  
 2,916  
 1,586  
 1,057  
 567  
 4,134  
 Net debt / (cash)  
 2,145  
 670  
 414  
 (164)  
 2,940  
 Ternium s borrowings

(US\$ million)

Increase in leverage preserving Company's financial flexibility

Net debt to EBITDA ratio at 1.3 times, based on annualized 3Q 2007 EBITDA

Average

pre-tax

interest

rate

of

Libor+56bps

\*

and

average

life

of

4

years

(\*)

Company estimate

November 2007  
Ternium  
18