

Ternium S.A.  
Form 6-K  
April 11, 2008

---

---

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 10/04/2008

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 2008 investor day presentation.

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: April 10, 2008

---

Edgar Filing: Ternium S.A. - Form 6-K

Solomon R. Guggenheim Museum, New York  
April 10, 2008  
Investor Day

---

TERNIUM I Investor Day - April 10, 2008

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.

---

TERNIUM I Investor Day - April 10, 2008

3

08:30am Continental breakfast and registration

09:30am Presentation by Daniel Novegil, CEO

10:30am Coffee break

11:00am Q&A with Ternium's management

12:00pm Lunch

Event Schedule

---

TERNIUM I Investor Day - April 10, 2008

4

Competitive Positioning

Conclusions

Ternium Mexico

Growth

Steel Market Trends

---

TERNIUM I Investor Day - April 10, 2008

5

Competitive Positioning

Conclusions

Ternium Mexico

Growth

Steel Market Trends

---

Edgar Filing: Ternium S.A. - Form 6-K

TERNIUM I Investor Day - April 10, 2008

6

Source: IISI Committee on Economic Studies / Global Insight. 1CAGR: Compounded Annual Growth Rate. 2PPP:  
Purchasing Power Parity

World Apparent Crude Steel Use (thousand tons)  
Steel Use Growing Worldwide

---



TERNIUM I Investor Day - April 10, 2008

7

- Worldwide capacity expansion not as strong as anticipated a year ago, and in some cases already slowing down (e.g. China):

World Apparent Crude Steel Use (thousand tons)

Source: IISI / Credit Suisse / Ternium

- Raw material availability
- Infrastructure bottle-necks
  - Environmental issues
  - Engineering resources
- High equipment costs & long lead times

Capacity utilization rates at record levels

---

TERNIUM I Investor Day - April 10, 2008

8

Source: Clarksons (Panamax - 70000 dwt)

Source: NYMEX

Source: BMA / Ternium

Source: Vale

Iron Ore Pellet

(US\$/ton)

Natural Gas

(US\$/MMBTU)

Freight

(US\$ thousand per day)

Coal

(US\$/ton)

Key Input Prices on the Rise

---

TERNIUM I Investor Day - April 10, 2008

9

Cost-pushed

Price-pulled

Supply Driven

Demand Driven

Privatization

Consolidation

Source: CRU / WSD / Ternium

\* In constant US dollars (base April 2008)

\*\* 2008 estimate assumes iron ore pellet and lump price increases of 87% and 66% respectively and coal increase of 200%

Cost: Hot rolled band operating costs before overhead

Apr 08: 915

Price Cycle & Cost Pressures

HRC price vs. cost

(US\$/ton)

---

TERNIUM I Investor Day - April 10, 2008

10

US crude steel production

China's net steel exports

US steel service center inventories

US steel imports

Source: IISI/MAR/Merrill Lynch

Source: U.S. Imports Administration

Source: MSCI

Source: AISI

Key Industry Trends

---

TERNIUM I Investor Day - April 10, 2008

11

Competitive Positioning

Conclusions

Ternium Mexico

Growth

Steel Market Trends

---

TERNIUM I Investor Day - April 10, 2008

12

Source: Ternium / Corporate Websites

Sidor

Hylsa

IMSA

Ternium's total steel shipments (1)

(finished + semifinished steel in mtpy)

Top players in Latin America

(2007 finished steel shipments (1) in mtpy)

Siderar

(1) Imsa included from Jan 07. Shipments from U.S. assets sold to Blue Scope are not included.

Ternium's Leadership in Latin America

---

TERNIUM I Investor Day - April 10, 2008

13

(1) Insa included from Jan 07. Shipments from U.S. assets sold to Blue Scope are not included.

Strong Market Share in Fast Growing Markets

Shipments by region

(million tons)

Source: Ternium

Ternium's Network

+58%

Ternium's Markets

\* Coated steel

---

TERNIUM I Investor Day - April 10, 2008

14

Impact of 2008 raw material price increases on  
cash cost of produced slab

Iron ore supply

(2007 in mtpy)

Source: Ternium

- One third of Ternium's iron ore needs is provided by its own iron ore mines in Mexico.
- Three quarters of Ternium's crude steel production rely on natural gas instead of coal.

\*\*\* self-sufficiency

\*\*\*

\*\*\*

\*\*\*

Ternium's Relatively Low Exposure to Raw  
Material Price Increases

---



TERNIUM I Investor Day - April 10, 2008

15

- Centralized & lean functional organization facilitates know-how and best practice sharing, accelerates learning and experience curves, and provides economies of scale and scope.
  - Strong focus in IT & IS (Visual Flash tool, unified SAP, etc.)
- Flexible business model and experienced management team allowed integration of Ternium Mexico in record time.

Planning & Operations

Argentina

Mexico

Venezuela

Gua.

USA

North

Center

South

International

Procurement

(Exiros)

IT & IS

HR

Engineering

Steel

Procurement

Business Units

Production Units

Ternium's Business Model

---

TERNIUM I Investor Day - April 10, 2008

16

Competitive Positioning

Conclusions

Ternium Mexico

Growth

Steel Market Trends

---

TERNIUM I Investor Day - April 10, 2008

17

Industrial

Market share in Mexico

(flat steel)

Commercial

Ternium's shipments in Mexico

(tons)

Ternium Mexico's production capacity

Source: Ternium

Integration of Ternium Mexico strengthens  
leading position in Latin America

---

TERNIUM I Investor Day - April 10, 2008

18

- Local slab sourcing in Mexico, minimizing logistics costs

Average operating conditions

(million tons per year)

Source: Ternium

\* Slabs & Billets

Ternium Mexico's Semifinished Steel\* Balance

---

Edgar Filing: Ternium S.A. - Form 6-K

TERNIUM I Investor Day - April 10, 2008

19

Source: CRU

World Apparent Crude Steel Use

(US\$/tons)

Slab-HRC Spread

---

TERNIUM I Investor Day - April 10, 2008

20

- Mills specialization
- Procurement & logistics
- Management reorganization
- Working capital reduction
- Marketing consolidation

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

- Pre-tax synergies estimated to be US\$200 million per year in the medium term:

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

Reduced inventories, credit receivables optimization

Source: Ternium

Integration Synergies

---

TERNIUM I Investor Day - April 10, 2008

21

Competitive Positioning

Conclusions

Ternium Mexico

Growth

Steel Market Trends

---

TERNIUM I Investor Day - April 10, 2008

22

Ternium's Growth Matrix

---



TERNIUM I Investor Day - April 10, 2008

23

Includes investments under study (e.g., CRC and HDG in Argentina)

Capacity Expansions

(million tons)

Capex Plan

(million US\$)

Source: Ternium

Capex Plans (organic growth)

---

TERNIUM I Investor Day - April 10, 2008

24

Note: Proven and Probable Reserves detailed in this slide include  
Measured and Indicated Resources

Iron Ore Reserves Projection

(concentrate equivalent million tons)

Iron Ore Mines

Source: Ternium

Expanding Our Mining Footprint in Mexico

§ Current reserves at 130 million tons, representing approximately 30 years of  
production at current rates.

§ New exploration plan targets 260 million tons of total reserves at a budget of US\$38  
million.

---

TERNIUM I Investor Day - April 10, 2008

25

Competitive Positioning

Conclusions

Ternium Mexico

Growth

Steel Market Trends

---

TERNIUM I Investor Day - April 10, 2008

26

- Regional leadership, strong market share in fast growing markets.
  - Cost advantages relative to competitors.
- Logistical advantages (short lead-times, lower freight rates, duty exemptions).
- High vertical integration, from iron ore mines to service centers.
  - Experienced management team with successful track record.
    - Sound financial position.
    - Growth potential:
- Organic expansion aligned with market growth and market share goals.
- Balancing productive structure and enhancing value added (greenfield).
  - Pursuit of strategic M&A opportunities.

Conclusions: Strengths & Growth Opportunities

---

Edgar Filing: Ternium S.A. - Form 6-K

TERNIUM I Investor Day - April 10, 2008  
27

---

