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Ternium S.A.
Form 6-K
May 02, 2006

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 04/28/2006

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

Ternium S.A.
46a, Avenue John F. Kennedy - 2nd floor
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
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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 consolidated condensed interim financial
statements as of March 31, 2006.

TERNIUM S.A.

CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS AS OF MARCH 31, 2006
AND FOR THE THREE-MONTH PERIODS
ENDED MARCH 31, 2006 AND 2005

46a, Avenue John F. Kennedy, 2nd floor
L - 1855
R.C.S. Luxembourg : B 98 668

TERNIUM S.A.
Consolidated condensed interim financial statements as of March 31, 2006
and for the three-month periods ended March 31, 2006 and 2005
(All amounts in USD thousands)

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CONSOLIDATED CONDENSED INTERIM INCOME STATEMENTS

	Notes	Three-month period end 2006	(Unaudited)
Net sales	4 & 12	1,528,883	
Cost of sales	4, 5 & 12	(987,185)	
Gross profit	4	541,698	
Selling , General and administrative expenses	6	(150,993)	
Other operating income (expenses), net		1,819	
Operating income		392,524	
Financial expenses, net	7 & 12	(123,530)	
Excess of fair value of net assets acquired over cost		-	
Equity in (losses) earnings of associated companies	8	(1,828)	
Income before income tax expense		267,166	
Income tax expense		(72,653)	
Net income for the period		194,513	
Attributable to:			
Equity holders of the Company		165,043	
Minority interest		29,470	
		194,513	
Weighted average number of shares outstanding		1,729,329,115	1,
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (expressed in USD per share)		0.10	

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of the Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document. These consolidated condensed interim financial statements should be read in conjunction with our audited Combined Consolidated Financial Statements and notes for the fiscal year ended December 31, 2005.

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TERNIUM S.A.

Consolidated condensed interim financial statements as of March 31, 2006
and for the three-month periods ended March 31, 2006 and 2005
(All amounts in USD thousands)

CONSOLIDATED CONDENSED BALANCE SHEETS

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	Notes	March 31, 2006	
		(Unaudited)	
ASSETS			
Non-current assets			
Property, plant and equipment, net	9	5,418,401	5
Intangible assets, net	9	547,818	
Investments in associated companies, net	8	7,323	
Other investments, net		12,267	
Deferred tax assets		40,626	
Other Assets		996	
Receivables, net		53,323	6,080,754
<hr/>			
Current assets			
Receivables		293,490	
Other Assets		-	
Derivative financial instruments		8,420	
Inventories, net		1,061,634	1
Trade receivables, net		495,860	
Other investments		5,296	
Cash and cash equivalents		902,884	2,767,584
<hr/>			
Non-current assets classified as held for sale			9,792
<hr/>			
Total assets			8,858,130
<hr/>			
EQUITY			
Capital and reserves attributable to the company's equity holders			3,146,384
Minority interest			1,700,949
<hr/>			
Total equity			4,847,333
<hr/>			
LIABILITIES			
Non-current liabilities			
Provisions		54,697	
Deferred income tax		1,040,943	1
Non-current tax liabilities		36,917	
Other liabilities		197,902	
Trade payables		1,233	
Borrowings		1,209,366	2,541,058
<hr/>			
Current liabilities			
Provisions		746	
Current tax liabilities		103,145	
Other liabilities		186,149	
Trade payables		637,303	
Borrowings		542,396	1,469,739
<hr/>			
Total liabilities			4,010,797
<hr/>			
Total equity and liabilities			8,858,130
<hr/>			

Contingencies, commitments and restrictions to the distribution of profits are disclosed in Note 10.

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TERNIUM S.A.

Consolidated condensed interim financial statements as of March 31, 2006
and for the three-month periods ended March 31, 2006 and 2005
(All amounts in USD thousands)

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to the Company's equity holders (1)						
	Capital stock	Initial public offering expenses	Revaluation and other reserves	Capital stock issue discount (2)	Currency translation adjustment	Retained earnings	Total
Balance at January 1	1,396,552	(5,456)	1,462,137	(2,298,048)	(92,691)	1,379,960	1,842,4
Currency translation adjustment					(42,139)		(42,1
Net income						165,043	165,0
Total recognized income for the period					(42,139)	165,043	122,9
Dividends paid in cash and other distributions							
Acquisition of business							
Contributions from shareholders (see Note 3)	33,801		43,100	(26,818)			50,0
Conversion of Subordinated Convertible Loans (see Note 3)	302,962		302,962				605,9
Initial Public Offering (see Note 3)	271,429	(17,839)	271,429				525,0
Revaluation and other reserves							
Balance at March 31	2,004,744	(23,295)	2,079,628	(2,324,866)	(134,830)	1,545,003	3,146,3

(1) Shareholders equity determined in accordance with accounting principles generally accepted in Luxembourg is disclosed in Note 10 (ii).

(2) Represents the difference between book value of non monetary contributions received form shareholders under Luxembourg GAAP and IFRS.

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Dividends may be paid by Ternium to the extent distributable retained earnings calculated in accordance with Luxembourg GAAP exist. Therefore, retained earnings included in these consolidated condensed interim financial statements may not be wholly distributable. See Note 10 (ii).

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of the Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document. These consolidated condensed interim financial statements should be read in conjunction with our audited Combined Consolidated Financial Statements and notes for the fiscal year ended December 31, 2005.

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TERNIUM S.A.

Consolidated condensed interim financial statements as of March 31, 2006
and for the three-month periods ended March 31, 2006 and 2005
(All amounts in USD thousands)

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENTS

	Notes	----- Three-month period ended -----	
		2006	2005
		----- (Unaudited) -----	
Cash flows from operating activities			
Net income for the period		194,513	403,113
Adjustments for:			
Depreciation and amortization	9	106,300	48,113
Income tax accruals less payments		10,948	30,113
Excess of fair value of net assets acquired over cost		-	(188,113)
Equity in earnings of associated companies	8	1,828	(19,113)
Interest accruals less payments		(15,893)	3,113
Changes in provisions		11,420	2,113
Changes in working capital		(12,581)	106,113
Currency translation adjustment and others		(2,973)	4,113
		-----	-----
Net cash provided by operating activities		293,562	391,113
		-----	-----
Cash flows from investing activities			
Capital expenditures	9	(89,998)	(36,113)
Changes in trust funds		-	83,113
Acquisition of business	11	(55,183)	
Proceeds from the sale of property, plant and equipment		4,013	1,113
		-----	-----
Net cash (used in) provided by investing activities		(141,168)	48,113
		-----	-----
Cash flows from financing activities			
Dividends paid in cash and other distributions to			

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company's equity shareholders	-	(99)
Dividends paid in cash and other distributions to minority shareholders	-	(24)
Net proceeds from Initial Public Offering	525,019	
Contributions from shareholders	3,085	
Proceeds from borrowings	11,381	26
Repayments of borrowings	(553,452)	(133)
Net cash used in financing activities	(13,967)	(230)
Increase in cash and cash equivalents.	138,427	209
Movement in cash and cash equivalents		
At January 1, (1)	754,980	194
Acquisition of business	-	305
Effect of exchange rate changes	(813)	(32)
Increase in cash and cash equivalents	138,427	209
Cash and cash equivalents at March 31, (1)	892,594	677
Non-cash transactions		
Conversion of debt instruments into shares	605,925	127

(1) In addition, the Company has restricted cash for USD 10,290 and USD 10,650 at March 31, 2006 and December 31, 2005, respectively.

The accompanying notes are an integral part of these consolidated condensed interim financial statements. The Report of the Independent Registered Public Accounting Firm on these consolidated condensed interim financial statements is issued as a separate document. These consolidated condensed interim financial statements should be read in conjunction with our audited Combined Consolidated Financial Statements and notes for the fiscal year ended December 31, 2005.

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TERNIUM S.A.

Consolidated condensed interim financial statements as of March 31, 2006 and for the three-month periods ended March 31, 2006 and 2005

(All amounts in USD thousands)

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TERNIUM S.A. Notes to the Consolidated Condensed Interim Financial Statements

1 Basis of presentation

Ternium S.A. (the "Company" or "Ternium"), a Luxembourg Corporation (Societe Anonyme), was incorporated on December 22, 2003 under the name of Zoompart Holding S.A. to hold investments in flat and long steel manufacturing and distributing companies. The extraordinary shareholders' meeting held on August 18, 2005, changed the corporate name to Ternium S.A.

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting".

These consolidated condensed interim financial statements should be read in conjunction with the audited combined consolidated financial statements for the year ended December 31, 2005.

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 as of the balance sheet dates, and also the reported amounts of revenues and expenses for the reported periods. Actual results may differ from these estimates.

Material intercompany transactions and balances have been eliminated in consolidation. However, the fact that the functional currency of the Company's subsidiaries differ, results in the generation of foreign exchange gains (losses) that are included in the consolidated condensed interim income statement under "Financial expenses, net".

These consolidated condensed interim financial statements were approved by the Board of Directors of Ternium on April 28, 2006.

2 Accounting policies

The accounting policies used in the preparation of these consolidated condensed interim financial statements are consistent with those used in the audited combined consolidated financial statements for the year ended December 31, 2005.

A detail of the accounting policies followed by the Company in the preparation of these financial statements, other than those followed in the preparation of the audited combined consolidated financial statements for the year ended December 31, 2005 follows:

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- Non-current assets (disposal groups) classified as held for sale

Non-current assets (disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

The carrying value of non-current assets classified as held for sale total USD 9.8 million and include principally land and other real estate items. Sale is expected to be completed within a one year period.

3 Initial public offering

In January 2006, the Company successfully completed its registration process with the United States Securities and Exchange Commission ("SEC") and announced the commencement of its offer to sell 24,844,720 American Depositary Shares ("ADS") representing 248,447,200 shares of common stock through Citigroup Global Markets Inc., Deutsche Bank Securities Inc., JP Morgan Securities Inc., Morgan Stanley & Co. Incorporated, BNP Paribas Securities Corp., Caylor Securities (USA) Inc. and Bayerische Hypo-und Vereinsbank AG (collectively, the "Underwriters" and the offering thereunder, the "Initial Public Offering"). The gross proceeds from the Initial Public Offering totaled USD 496.9 million and have been used to fully repay Tranche A of the Ternium Credit facility, after deducting related expenses.

Also, the Company has granted to the Underwriters an option, exercisable for 30 days from January 31, 2006, to purchase up to 3,726,708 additional ADSs at the public offering price of USD20 per ADS less an underwriting discount of USD0.55 per ADS. On February 23, 2006 the underwriter exercised such option to purchase 2,298,136 ADSs at the public offering price of USD20 per ADS less an underwriting discount of USD0.55 per ADS.

The gross proceeds from this transaction totaled USD 46.0 million.

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TERNIUM S.A.

Notes to the Consolidated Condensed Interim Financial Statements (Contd.)

3 Initial public offering (continued)

In addition, the Company entered into the Subordinated Convertible Loan Agreements for a total aggregate amount of USD594 million to fund the acquisition of Hylsamex. As per the provisions contained in the Subordinated Convertible Loan Agreements, the Subordinated Convertible Loans would be converted into shares of the Company upon delivery of Ternium's ADSs to the Underwriters. On February 6, 2006 the Company delivered the above mentioned ADSs and, accordingly, the Subordinated Convertible Loans (including interest accrued through January 31, 2006) were converted into shares at a conversion price of USD2 per share, resulting in the issuance of 302,962,261 new shares.

Furthermore, in November 2005, Sidetur, a subsidiary of Sivensa, exchanged with ISL its 3.42% equity interest in Amazonia and USD 3,1 million in cash for shares of the Company. ISL has contributed such interest in Amazonia to the Company in exchange for shares of the Company after the settlement of the Initial Public Offering.

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4 Segment information

Primary reporting format - business segments

	Flat steel products	Long steel products	Other	Total

Three-month period ended March 31, 2006				
Net sales	1,197,327	282,864	48,692	1,528,883
Cost of sales	(748,689)	(198,525)	(39,971)	(987,185)

Gross profit	448,638	84,339	8,721	541,698
Depreciation - PP&E	89,938	11,407	308	101,653

	Flat steel products	Long steel products	Other	Total

Three-month period ended March 31, 2005				
Net sales	681,591	69,930	16,068	767,589
Cost of sales	(369,528)	(38,617)	(10,020)	(418,165)

Gross profit	312,063	31,313	6,048	349,424
Depreciation - PP&E	43,289	4,204	-	47,493

Secondary reporting format - geographical segments

Allocation of net sales is based on the customers' location. Allocation of assets and capital expenditures is based on the assets' location.

Ternium's subsidiaries operate for three main geographical areas. The North American segment comprises principally United States, Canada and Mexico. The South and Central American segment comprises principally Argentina, Brazil, Colombia, Venezuela and Ecuador.

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TERNIUM S.A.

Notes to the Consolidated Condensed Interim Financial Statements (Contd.)

4 Segment information (continued)

	South and Central America	North America	Europe and others	Total

Three-month period ended March 31, 2006				
Net sales	827,884	686,704	14,295	1,528,883

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Depreciation - PP&E.	68,445	33,201	7	101,653
Three-month period ended				
March 31, 2005				
Net sales	482,639	162,648	122,302	767,589
Depreciation - PP&E.	47,482	4	7	47,493

5 Cost of sales

	Three-month period ended March 31,	
	2006	2005
	(Unaudited)	
Inventories at the beginning of the period	1,000,119	254,286
Acquisition of business	8,180	284,676
Plus: Charges for the period		
Raw materials and consumables used and other movements	695,571	243,159
Services and fees	35,312	17,677
Labor cost	118,292	45,687
Depreciation of property, plant and equipment	95,181	44,615
Amortization of intangible assets	3,348	1,019
Maintenance expenses	71,601	33,070
Office expenses	1,513	502
Freight and transportation	5,666	5,168
Insurance	2,641	759
Provision for obsolescence	9,390	2,014
Recovery from sales of scrap and by-products	(13,846)	(6,810)
Others	15,851	5,254
Less: Inventories at the end of the period	(1,061,634)	(512,911)
Cost of sales	987,185	418,165

6 Selling, General and administrative expenses

	Three-month period ended March 31,	
	2006	2005
	(Unaudited)	
Services and fees	16,020	5,148
Labor cost	33,233	10,713
Depreciation of property plant and equipment	6,472	2,878
Amortization of intangible assets	1,299	428
Maintenance and expenses	3,791	811
Taxes	10,295	6,469
Office expenses	6,461	2,271
Freight and transportation	66,833	33,742
Insurance	401	171

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Others	6,188	2,349
Selling, General and administrative expenses	150,993	64,980

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TERNIUM S.A.

Notes to the Consolidated Condensed Interim Financial Statements (Contd.)

7 Financial expenses, net

	Three-month period ended March 31,	
	2006	2005
	(Unaudited)	
Interest expense	(37,376)	(5,175)
Interest income	12,153	3,895
Net foreign exchange transaction gains and change in fair value of derivative instruments	(5,496)	(28,465)
Write-off of debt issue costs	(9,030)	-
Income from Participation Account (i)	-	44,050
Loss from Participation Account (i)	(83,305)	(53,100)
Others	(476)	(106)
Financial expenses, net	(123,530)	(38,901)

(i) Until February 15, 2005, the Company accounted for its investment in Amazonia under the equity method of accounting. Thus, income arising from the Participation Account Agreement has been recorded under Income from Participation Account within Financial expenses, net. Upon conversion of the Amazonia Convertible Debt Instrument on February 15, 2005, the Company acquired control over Amazonia and began accounting for such investment on a consolidated basis. Accordingly, income resulting from Ternium's share of the Participation Account as from February 15, 2005, has been offset against Amazonia's loss for the same concept and shown net under Loss from Participation Account line item.

8 Investments in associated companies, net

	Three-month period ended March 31,	
	2006	2005
	(Unaudited)	
At the beginning of the year	9,122	309,318
Translation adjustment	29	(3,425)
Equity in (losses) earnings of associated companies	(1,828)	19,309
Consolidation of Amazonia	-	(318,166)
At the end of the period	7,323	7,036

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9 Property, plant and equipment and Intangible assets, net

	Net Property, Plant and Equipment	Net Intangible Assets
	(Unaudited)	(Unaudited)
Three-month period ended March 31, 2006		
At the beginning of the year	5,463,871	552,882
Currency translation differences	(64,426)	(3,985)
Transfers	(9,633)	-
Additions	86,430	3,568
Disposals	(4,013)	-
Increase due to business acquisition	47,825	-
Depreciation/ Amortization charge	(101,653)	(4,647)
At the end of the period	5,418,401	547,818

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TERNIUM S.A.

Notes to the Consolidated Condensed Interim Financial Statements (Contd.)

10 Contingencies, commitments and restrictions on the distribution of profits

This note should be read in conjunction with Note 29 to the Company's audited Combined Consolidated Financial Statements for the year ended December 31, 2005. Significant changes or events since the date of the annual report are as follows:

(i) Consorcio Siderurgia Amazonia Ltd .- PDVSA-Gas C.A. claim

As a consequence of the commercial transactions entered into by Sidor and PDVSA-Gas during the three-month period ended March 31, 2006, Sidor's potential exposure under its litigation against that company increased by USD 7.8 million, thus reaching a total amount of USD 102.1 million.

(ii) Restrictions on the distribution of profits

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

Ternium may pay dividends to the extent that it has distributable retained earnings and distributable reserves calculated in accordance with Luxembourg law and regulations. Therefore, retained earnings included in the consolidated condensed interim financial statements may not be wholly distributable.

Shareholders' equity under Luxembourg law and regulations comprises the following captions (amounts in USD thousands):

	At March 31, 2006
Share capital	2,004,744
Initial Public Offering expenses	(14,928)

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Legal reserve	200,474
Distributable reserves	402,149
Non distributable reserves	1,414,122
Accumulated profit at January 1, 2006	107,612
Profit for the period	18,337

Total shareholders' equity under Luxembourg GAAP	4,132,510

11 Acquisition of business

On November 18 2005, Ternium's Argentine subsidiary, Siderar, agreed to acquire assets and facilities of Acindar Industria Argentina de Aceros S.A. ("Acindar") related to the production of welded steel pipes in the province of Santa Fe in Argentina, as well as 100% of the issued and outstanding shares of Impeco S.A., which in turn owns a plant located in the province of San Luis in Argentina. Purchase price paid totaled USD 55.2 million, subject to subsequent adjustments. These two plants have a production capacity of 140 thousand tons per year of tubes to be used in the construction, agricultural and manufacturing industries. The acquisition has been approved by the Argentine competition authorities and was completed on January 31, 2006. This acquisition did not give rise to goodwill.

The acquired business contributed revenues of USD 9.9 million in the three month period ended March 31, 2006. The fair value of assets and liabilities arising from acquisition are as follows:

	USD thousands

Property, plant and equipment	47,825
Inventories	8,180
Cash and cash equivalents	-
Deferred tax liabilities	(875)
Others assets and liabilities, net	53

Net	55,183

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TERNIUM S.A.
Notes to the Consolidated Condensed Interim Financial Statements (Contd.)

12 Related parties transactions

The Company is controlled by San Faustin N.V., a Netherlands Antilles corporation, which owns 70.52% of the Company's outstanding shares, either directly or indirectly. The ultimate controlling entity of the Company is Rocca & Partners, a British Virgin Islands corporation.

The following transactions were carried out with related parties:

Three-month period ended March, 31

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	2006	2005
	(Unaudited)	
(i) Transactions		
(a) Sales of goods and services		
Sales of goods to other related parties	24,243	9,113
Sales of services to associated parties	508	275
Sales of services to other related parties	-	663
	24,751	10,051
(b) Purchases of goods and services		
Purchases of goods from associated parties	14,390	21,603
Purchases of goods from other related parties	21,983	9,237
Purchases of services from other related parties	10,894	8,678
	47,267	39,518
(c) Financial results		
Income with associated parties	-	44,697
Expenses with other related parties	(147)	(1,013)
	(147)	43,684
	At March 31, 2006	At December 31, 2005
	(Unaudited)	
(ii) Period-end balances		
(a) Arising from sales/purchases of goods/services		
Receivables from associated parties	66,753	71,317
Receivables from other related parties	25,193	18,175
Payables to associated parties	(5,123)	(13,644)
Payables to other related parties	(23,318)	(17,914)
	63,505	57,934
(b) Other investments		
Time deposit	10,147	10,450
(c) Other balances		
Trust fund with other related parties	-	5,185
(d) Financial debt		
Borrowings with other related parties	(3,789)	(607,472)
(iii) Officers and Directors' compensation		

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The aggregate compensation of Officers and Directors earned during the three-month period ended March 31, 2006 amounts to USD 3,426 thousands.

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13 Recent accounting pronouncements

IFRIC Interpretation 9, Reassessment of Embedded Derivatives

In February 2006, the International Financial Reporting Interpretations Committee ("IFRIC") issued IFRIC Interpretation 9 "Reassessment of Embedded Derivatives" ("IFRIC 9"). IFRIC 9 applies to all embedded derivatives within the scope of International Accounting Standard No. 39. However, it does not address (i) remeasurement issues arising from a reassessment of embedded derivatives, or (ii) the acquisition of contracts with embedded derivatives in a business combination nor their possible reassessment at the date of acquisition.

Paragraph 7 of IFRIC 9 states that an entity shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. Also, paragraph 8 of IFRIC 9 states that a first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date a reassessment is required by paragraph 7.

An entity shall apply this Interpretation for annual periods beginning on or after 1 June 2006, although earlier application is encouraged. If an entity applies the Interpretation for a period beginning before 1 June 2006, it shall disclose that fact. The Interpretation shall be applied retrospectively.

The Company's management has not assessed the potential impact that the application of IFRIC 9 may have on the Company's financial condition or results of operations.

14 Post balance sheet events

The following are the main post balance sheet events:

a) In April 2006, the Company acquired a 50% equity interest in Acerex S.A. de C.V. ("Acerex") through its subsidiary Hylsa S.A. de C.V. Total purchase price accounted for USD 44.6 million. Upon completion of this transaction (which is expected to occur in the second quarter of fiscal year 2006 following the approval by the Mexican competition authorities) Hylsa S.A. de C.V. will own 100% of Acerex.

Acerex is a service center dedicated to processing steel to produce short-length and steel sheets in various widths. Acerex operates as a cutting and processing plant for Ternium's Mexican operations and as an independent processor for other steel companies.

b) On April 19, 2006, the Shareholders' Meeting of Siderar, approved the distribution of dividends in cash for 122.8 million of Argentine pesos (approximately USD 40.0 million).

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Roberto Philipps
Chief Financial Officer

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1 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

By: /s/ Daniel Novegil

Name: Daniel Novegil
Title: Chief Executive Officer

Dated: April 28, 2006