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CORPORACION DURANGO S.A .DE C.V.

Form 6-K

July 27, 2006

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

For the month of February, 2006
Durango Corporation
(f/k/a Grupo Industrial Durango, S.A. de C.V.)

(Translation of registrant's name into English)

Torre Corporativa Durango, Potasio 150, Ciudad Industrial,
Durango, Durango, Mexico

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 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): 82-_____.

Durango, Durango, Mexico - Corporacion Durango, S.A. de C.V. (BMV: CODUSA) ("Durango" or the "Company"), the largest integrated paper producer in Mexico, today announced its unaudited consolidated results for its second fiscal quarter. All figures were prepared in accordance with Mexican generally accepted accounting principles and are stated in constant Mexican pesos as of June 30, 2006 converted into U.S. dollars using the exchange rate at the end of each period.

INDUSTRY BUSINESS ENVIRONMENT 2006

Current market conditions are improving in the industry and most analysts are optimistic about the outlook for the business. However, as expected, year-over-year results were negatively impacted by higher costs, especially energy and freight, and lower containerboard and corrugated container prices. As a result, the industry was unable to recover its 2Q'05 and 1H'05 earnings level.

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DURANGO'S BUSINESS ENVIRONMENT 2Q'2006

In spite of an uncertain electoral-political year in Mexico, stagnant demand, lower price, strong currency, and higher raw material and energy costs, Durango's focused initiatives allowed it to outperform the industry. The Company's results for 2Q'06 and 1H'06 were better than those of similar periods in 2005.

COMPANY HIGHLIGHTS 2Q'2006

Financial and operating fundamentals of Company continued strengthening in 2Q'06;

Right market strategies and productivity gains resulted in increases in shipments of 11% QoQ and 10% YoY. Net sales grew 10% QoQ and 7% YoY;

Right operative strategies along the productive chain allowed the Company to reduce its unit production cost by 4%;

Durango's EBITDA grew by 30% QoQ, from US\$21.5 million in 2Q'05 to US\$28 million in 2Q'06;

Durango's EBITDA grew by 14% YoY from US\$44.1 million in 1H'05 to US\$50.2 million in 1H'06;

Durango's EBITDA margin in 2Q'06 was 13%, one of the best in our industry sector, reflecting its improved operational fundamentals;

Durango believes that its operating results again outperformed the industry average in 2Q'06;

In its first quarter operation into Durango, Tizayuca's results exceeded company's expectations

In 2Q'06, Durango successfully continued its relentless working capital and expenditure discipline programs;

Consistent with its announced plans to reduce debt by US\$100 million in 2006, at the end of 2Q'06 Durango made debt payments of US\$75.9 million.

DURANGO'S PERFORMANCE

Item	2Q06	2Q05	%	Ac06	Ac05	%
Total Shipments ('000 Short Tons)	390.2	350.9	11%	733.9	668.3	10%
Pricing (US\$/Short Ton)	550	556	-1%	549	564	-3%
Net Sales (US\$ Million)	214.8	195.1	10%	403.2	377.1	7%
Unit Cost (US\$/Short Ton)	467	486	-4%	470	491	-4%
EBITDA (US\$ Million)	28.0	21.5	30%	50.2	44.1	14%
EBITDA Margin	13%	11%	2%	12%	12%	1%

SHIPMENTS

The Company's total shipments increased by 11% in 2Q06 compared with 2Q05, and increased by 10% on an accumulated basis for the six-month period.

Shipments (000 Short Tons)	2Q06	2Q05	%	Ac06	Ac05	%
Paper	197.4	169.5	16%	366.6	318.8	15%
Packaging	190.4	179.2	6%	362.3	345.1	5%

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Other	2.4	2.3	3%	5.1	4.5	13%
Total	390.2	350.9	11%	733.9	668.3	10%

PRICE

Durango's average sales price per short ton decreased by 1% to US\$550 in 2Q06 from US\$556 in 2Q05. On an accumulated basis, the average sales price per short ton decreased by 3% to US\$549 in the second half of 2006 from US\$564 in the second half of 2005.

Prices (US\$/Short Ton)	2Q06	2Q05	%	Ac06	Ac05	%
Paper	508	516	-1%	503	535	-6%
Packaging	588	589	0%	590	587	0%
Other	986	926	6%	984	896	10%
Mix Price (US\$/Short Ton)	550	556	-1%	549	564	-3%

NET SALES

Total net sales increased by 10% to US\$214.8 million in 2Q06 from US\$195.1 million in 2Q05. On an accumulated basis, net sales increased by 7% to US\$403.2 million for the six months ended on June 30, 2006 from US\$377.1 million for the six months ended on as of June 30, 2005.

Net Sales (US\$ Million)	2Q06	2Q05	%	Ac06	Ac05	%
Paper	100.3	87.5	15%	184.4	170.4	8%
Packaging	112.1	105.5	6%	213.8	202.6	5%
Other	2.4	2.1	10%	5.0	4.0	24%
Total	214.8	195.1	10%	403.2	377.1	7%

PRODUCTION COST

Unit production cost decreased by 4% in 2Q06 compared to 2Q05. On an accumulated basis, the unit production cost decreased by 4% to US\$470 as of June 30, 2006 from US\$491 as of June 30, 2005.

Unit Cost (US\$/Short Ton)	2Q06	2Q05	%	Ac06	Ac05	%
Total	467	486	-4%	470	491	-4%

EBITDA

EBITDA increased by 30% in 2Q'06 compared to 2Q'05, an outstanding achievement under the current tough cost environment.

EBITDA (US\$ Million)	2Q06	Margin	2Q05	Margin	%
Paper	15.1	15%	9.1	10%	67%
Packaging	12.2	11%	11.9	11%	3%
Other	0.6	27%	0.6	29%	2%
Total	28.0	13%	21.5	11%	30%

EBITDA increased by 14% in 2H'06 compared to 2H'05.

EBITDA (US\$ Million)	Ac06	Margin	Ac05	Margin	%
Paper	26.1	14%	20.8	12%	26%
Packaging	23.1	11%	22.3	11%	3%
Other	1.0	21%	1.0	25%	2%
Total	50.2	12%	44.1	12%	14%

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EBITDA.- According to the Company's Restructured Credit Agreement, Consolidated EBITDA means, for any period, the sum of the following for the Company and its Subsidiaries: a) operating income for such period; b) to the extent deducted in determining such operating income for such period, the sum of the following: i) depreciation, ii) amortization, iii) any other non-cash charges other than any such non-cash charges that represent accruals of, or reserves for, cash disbursements to be made in any future accounting period, iv) the aggregate amount of all cash severance payments actually made in cash, v) taxes paid or payable, and vi) non-cash charges incurred in connection with pension plans; and c) the aggregate amount of interest income accrued during such period.

DEBT REDUCTION PROGRAM

The Company plans to reduce its outstanding debt by US\$100.0 Million during 2006. This would represent US\$75.0 million above its scheduled debt payments for this year. As of the second quarter of 2006, the Company has already repaid US\$75.9 Million. This marks an important milestone in Durango's ongoing strategic objective to continue building stronger financial fundamentals.

CEO STATEMENT

Commenting on the industry and the Company's outlook, Miguel Rincon, Durango's Chairman and CEO, said ...

"We remain optimistic about the Company's new operating and financial fundamentals. We are building to capture market opportunities from the industry cycle and the Mexican economy recovery as they occur. All of this should allow the Company to move towards our ultimate goal to further strengthen our capital structure, on our way to becoming a world class company"... concluded Rincon.

CONFERENCE CALL

You are cordially invited to our Company's Second Quarter 2006 Conference Call, which will be held on Thursday, July 27, 2006 - 1:00 p.m. (EST) // 12:00 p.m. (Mexico - Durango). Investors may participate in the live Conference Call by dialing (800) 322-5044 (US Participants) or (617) 614-4927 (International Participants) with 32327322 as Passcode. Please dial in at least 10 minutes prior to the start of the call.

CORPORACION DURANGO, S.A. DE C.V. AND SUBSIDIARIES
 CONSOLIDATED CONDENSED BALANCE SHEETS
 AS OF DECEMBER 31, 2005 AND JUNE 30, 2006 (UNAUDITED)
 EXPRESSED IN TERMS OF THE PURCHASING POWER OF MEXICAN PESOS
 AS OF JUNE 30, 2006
 (Stated in thousands of Pesos and Dollars)

	December 31, 2005	Jun 30, 2006	US\$ DLLS. Jun 30, 2006
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 712,949\$	460,689	40,869
Accounts receivable, net	1,725,825	1,968,245	174,609
Taxes recoverable and other assets	46,464	18,701	1,659

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Inventories, net	1,213,467	1,242,980	110,269
Prepaid expenses	15,757	25,788	2,288
Total current assets	3,714,462	3,716,403	329,693
PROPERTY, PLANT AND EQUIPMENT, net	11,044,451	11,571,832	1,026,572
OTHER ASSETS, net	262,079	261,020	23,156
Total assets	\$ 15,020,992\$	15,549,255	1,379,422

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Bank loans and current portion of long-term debt .	262,825	189,766	16,835
Interest payable	14,325	8,034	713
Trade accounts payable	856,959	1,033,702	91,703
Notes payable	49,478	41,344	3,668
Accrued liabilities	484,038	727,292	64,520
Employee profit-sharing	1,007	780	69
Total current liabilities	1,668,632	2,000,918	177,508
LONG-TERM DEBT	6,552,790	6,156,663	546,176
LONG-TERM NOTES PAYABLE	66,675	44,333	3,933
DEFERRED TAXES.....	1,623,469	1,724,075	152,948
LIABILITY FOR EMPLOYEE BENEFITS.....	309,900	307,767	27,303
Total long term liabilities	8,552,834	8,232,838	730,360
Total liabilities	10,221,466	10,233,756	907,868

STOCKHOLDERS' EQUITY:

Majority interest	4,740,859	4,913,319	435,875
Minority interest	58,667	402,180	35,679
Total stockholders' equity	4,799,526	5,315,499	471,554
Total liabilities and stockholders' equi\$	15,020,992\$	15,549,255	1,379,422

Exchange rate: \$ 11.2723

CORPORACION DURANGO, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN FINANCIAL POSITION
EXPRESSED IN TERMS OF THE PURCHASING POWER OF MEXICAN PESOS
AS OF JUNE 30, 2006
(Stated in thousands of Pesos and Dollars)

	Full Year 2005	Acum. Jun 2006	Acum. J US\$ 20
OPERATING ACTIVITIES:			
Net income (loss)	\$ 164,941\$	-222,145	-19,
Add (deduct)- Charges (credits) to income which do not require (generate) resources:			
Depreciation and amortization	429,222	201,405	17,
Loss (Gain) on sale of property, plant and equipment	-1,707	33	
Impairment of long-lived assets	-114,542	0	
Deferred income taxes	242,816	-20,480	-1,
Other.....	-26,276	22,609	2,
Total items which do not require cash.....	529,513	203,567	18,
Net resources generated from income	694,454	-18,578	-1,
Changes in operating assets and liabilities:			
Decrease (Increase) in inventories	-90,579	-29,513	-2,
Decrease (Increase) in current assets	92,781	17,732	1,
Decrease (increase) in account receivables, net	20,166	-242,420	-21,
(Decrease) increase in accounts payable and accrued liabilities	-148,946	405,345	35,
Resources generated by continued operating	567,876	132,566	11,

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Assets and liabilities discontinued	-419,183	0	
Resources generated by operating activities	148,693	132,566	11,
FINANCING ACTIVITIES:			
Increase (Decrease) in bank loans and others	-3,840,367	-479,501	-42,
Increase (Decrease) in capital	292,617	0	
Gain on shares sales	2,993,053	0	
Net resources generated from financing activities	-554,697	-479,501	-42,
INVESTMENT ACTIVITIES:			
Acquisition and sale of property, plant and equipment....	-62,347	-210,007	-18,
Profit on sale of discontinued operations.....	336,567	807	
Acquisition of shares	-54,353	0	
Increase in minority interest	0	314,327	27,
Increase in deferred assets	28,388	-10,452	-
Net resources applied to investing activities	248,255	94,675	8,
INCREASE IN CASH AND CASH EQUIVALENTS	-157,749	-252,260	-22,
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD.....	870,698	712,949	63,
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	712,949\$	460,689US	40,

* The exchange rate of 11.2723 was used for translation purposes.

CORPORACION DURANGO, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)
EXPRESSED IN TERMS OF THE PURCHASING POWER OF MEXICAN PESOS
AS OF JUNE 30, 2006

	Thousands of Pesos			Thousands of Dollars	
	2Q 2005	2Q 2006	Var	2Q 2005	2Q 2006
NET SALES	\$ 2,189,519\$	2,420,952	11%	195,055	214,
COST OF SALES	1,916,150	2,054,128	7%	170,660	182,
Gross profit.....	273,369	366,824	34%	24,395	32,
Selling and Administrative expenses	162,140	170,518	5%	14,447	15,
Operating income	111,229	196,306	76%	9,948	17,
FINANCIAL EXPENSE:					
Interest expense	142,170	148,266	4%	12,771	13,
Interest income	-2,619	-3,948	51%	-233	
Exchange (gain) loss, net	-272,605	246,978	N/A	-24,520	21,
Gain on monetary position	-11,111	17,965	N/A	-959	1,
Total financial expense	-144,165	409,261	N/A	-12,941	36,
OTHER INCOME (EXPENSES):					
Other income (expense), net	-73,201	74,643	N/A	-6,544	6,
Total other income (expense)	-73,201	74,643	N/A	-6,544	6,
Income (loss) before income and asset t	182,193	-138,312	N/A	16,345	-12,
Provisions for income and asset taxes ...	12,891	23,106	79%	1,126	2,
Provision for deferred income taxes	169,217	-45,212	N/A	15,217	-4,
Net income after taxes	85	-116,206	N/A	2	-10,
Discontinued operations	-31,178	0	-100%	-2,804	
Net income before minority interest.....\$	31,263\$	-116,206	N/A	2,806	-10,
Minority interest.....	-2,582	9,788	N/A	-233	
Majority net income.....\$	33,845\$	-125,994	N/A	3,039	-11,
Operating income	111,229	196,306	76%	9,948	17,
Depreciation & amortization	107,626	100,177	-7%	9,605	8,

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Interest income	2,619	3,948	51%	233	
Employee retirement obligations	15,397	11,909	-23%	1,385	1,
Allowance for doubtful accounts	4,182	2,983	-29%	376	
EBITDA	241,053	315,323	31%	21,547	27,

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CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)
EXPRESSED IN TERMS OF THE PURCHASING POWER OF MEXICAN PESOS
AS OF JUNE 30, 2006

	Thousands of Pesos			Thousands of Dollars	
	Ac	Ac		Ac	Ac
	2005	2006	Var	2005	2006
NET SALES	\$ 4,302,253	\$ 4,489,288	4%	377,094	403,
COST OF SALES	3,743,843	3,838,256	3%	328,128	344,
Gross profit.....	558,410	651,032	17%	48,966	58,
Selling and Administrative expenses	315,453	328,281	4%	27,671	29,
Operating income	242,957	322,751	33%	21,295	28,
FINANCIAL EXPENSE:					
Interest expense	294,710	296,763	1%	25,987	26,
Interest income	-17,276	-12,255	-29%	-1,503	-1,
Exchange (gain) loss, net	-246,329	408,225	N/A	-22,242	36,
Gain on monetary position	-67,042	-35,115	-48%	-5,832	-3,
Total financial expense	-35,937	657,618	N/A	-3,590	59,
OTHER INCOME (EXPENSES):					
Other income (expense), net	-135,783	128,003	N/A	-11,960	11,
Total other income (expense)	-135,783	128,003	N/A	-11,960	11,
Income (loss) before income and asset t	143,111	-206,864	N/A	12,925	-18,
Provisions for income and asset taxes ...	23,491	35,761	52%	2,021	3,
Provision for deferred income taxes	246,290	-20,480	N/A	21,914	-1,
Net income after taxes	-126,670	-222,145	75%	-11,010	-20,
Discontinued operations	-43,499	0	-100%	-3,872	
Net income before minority interest.....	\$ -83,171	\$ -222,145	167%	-7,138	-20,
Minority interest.....	-44,043	14,110	N/A	-3,827	1,
Majority net income.....	\$ -39,128	\$ -236,255	504%	-3,311	-21,
Operating income	242,957	322,751	33%	21,295	28,
Depreciation & amortization	215,703	196,179	-9%	18,932	17,
Interest income	17,276	12,255	-29%	1,503	1,
Employee retirement obligations	17,808	22,609	27%	1,594	2,
Allowance for doubtful accounts	8,990	5,545	-38%	793	
EBITDA	502,734	559,339	11%	44,117	50,

SIGNATURES

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. CORPORACION DURANGO, S.A. DE C.V.

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Date: July 26, 2006

By /s/ Mayela Rincon de Velasco

Name: Mayela Rincon de Velasco
Title: Chief Financial Officer