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CORPORACION DURANGO S.A .DE C.V.

Form 6-K

October 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 third fiscal quarter. All figures were prepared in accordance with Mexican generally accepted accounting principles and are stated in constant Mexican pesos as of September 30, 2006 converted into U.S. dollars using the exchange rate at the end of each period.

INDUSTRY BUSINESS ENVIRONMENT 2006

Pricing and market conditions continued improving financial performance during 3Q 2006 despite high raw material, energy and transportation costs. The industry expects lower volumes during the fourth quarter due to seasonality, as well as higher energy and raw material cost due to winter weather. Analysts have a positive outlook on containerboard and newsprint but are cautious about the economic conditions.

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DURANGO'S PERFORMANCE 3Q'2006

In spite of a strong currency and the lag of price implementation in our Mexican operations, the Company achieved its best quarter since 2002 mainly due to strong volumes, price increases, productivity efficiencies and cost control strategies.

The Company's results for the three months and the nine months ended on September 30, 2006 were better than those for similar periods in 2005. The Company was able to continue reducing debt.

OPERATING PERFORMANCE

Item	3Q06	3Q05	%	Ac06	Ac05	%
Total Shipments ('000 Short Tons)	389.0	330.8	18%	1,123.0	999.9	12%
Pricing (US\$/Short Ton)	606	554	10%	569	560	2%
Net Sales (US\$ Million)	235.9	183.2	29%	639.1	560.3	14%
Unit Cost (US\$/Short Ton)	508	489	4%	483	490	-1%
EBIT (US\$ Million)	21.8	6.3	243%	50.7	27.6	83%
EBITDA (US\$ Million)	32.8	18.0	82%	83.0	62.2	34%
EBITDA Margin	14%	10%	4%	13%	11%	2%

FINANCIAL HIGHLIGHTS 3Q'2006

The company is on its way of further strengthening its balance sheet through debt reduction

Item	3Q06	3Q05	Var
Accumulated EBITDA	83.0	62.2	34%
Consolidated Debt (US\$ Million)	548.2	639.4	-91.2
LTM Interest Coverage	2.1X	1.6X	-
3Q' Interest Coverage	2.7X	1.5X	-
LTM Leverage Ratio	5.4X	7.0X	-
Net Debt Leverage Ratio	4.9X	6.3X	-

SHIPMENTS

The Company's total shipments increased by 18% in 3Q'06 compared with 3Q'05, and increased by 12% on an accumulated basis for the nine-month period. The increase in volumes was mainly due to improving market conditions and our sales effort.

Shipments (000 Short Tons)	3Q06	3Q05	%	Ac06	Ac05	%
Paper	188.9	146.9	29%	555.5	465.7	19%
Packaging	197.1	181.5	9%	559.4	527.3	6%
Other	3.0	2.4	25%	8.0	6.9	17%
Total	389.0	330.8	18%	1,123.0	999.9	12%

Of the quarterly shipment increase, Tizayuca accounted for 25.4 thousand short tons. On an accumulated basis 56.8 thousand short tons.

PRICE

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Durango's average sales price per short ton increased by 10% to US\$606 in 3Q'06 from US\$554 in 3Q'05. On an accumulated basis, the average sales price per short ton increased by 2% to US\$569 in the first nine months of 2006 from US\$560 during the first nine months of 2005.

Prices (US\$/Short Ton)	3Q06	3Q05	%	Ac06	Ac05	%
Paper	577	516	12%	528	529	0%
Packaging	630	580	9%	604	584	3%
Other	939	893	5%	968	895	8%
Mix Price (US\$/Short Ton)	606	554	10%	569	560	2%

NET SALES

Total net sales increased by 29% to US\$235.9 million in 3Q'06 from US\$183.2 million in 3Q'05. On an accumulated basis, net sales increased by 14% to US\$639.1 million for the nine months ended on September 30, 2006 from US\$560.3 million for the nine months ended as of September 30, 2005.

Net Sales (US\$ Million)	3Q06	3Q05	%	Ac06	Ac05	%
Paper	109.0	75.8	44%	293.4	246.3	19%
Packaging	124.2	105.2	18%	337.9	307.8	10%
Other	2.8	2.1	31%	7.8	6.1	27%
Total	235.9	183.2	29%	639.1	560.3	14%

PRODUCTION COST

Unit production cost increased by 4% in 3Q'06 compared to 3Q'05. On an accumulated basis, the unit production cost decreased by 1% to US\$483 as of September 30, 2006 from US\$490 as of September 30, 2005. This increase was due to a higher raw material and energy cost.

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Unit Cost (US\$/Short Ton)	3Q06	3Q05	%	Ac06	Ac05	%
Total	508	489	4%	483	490	-1%

EBITDA

EBITDA increased by 82% in 3Q'06 compared to 3Q'05, due to strong volumes and a higher price mix which offset the increases in raw material and energy cost, an outstanding achievement under the current tough cost environment.

EBITDA (US\$ Million)	3Q06	Margin	3Q05	Margin	%
Paper	20.1	18%	7.1	9%	183%
Packaging	12.9	10%	10.6	10%	22%
Other	-0.1	-5%	0.4	19%	N/A
Total	32.8	14%	18.0	10%	82%

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EBITDA increased by 34% for the nine months ended as of September 30, 2006 compared with the nine months ended as of September 30, 2005.

EBITDA (US\$ Million)	Ac06	Margin	Ac05	Margin	%
Paper	46.1	16%	27.8	11%	66%
Packaging	36.0	11%	32.9	11%	9%
Other	0.9	12%	1.4	23%	-37%
Total	83.0	13%	62.2	11%	34%

*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 continues to execute its plan to reduce its outstanding debt by US\$100.0 Million during 2006. This would represent a reduction of US\$75.0 million above its scheduled debt payments for this year. As of the third quarter of 2006, the Company had already repaid US\$87.7 Million. This marks an important milestone in Durango's ongoing strategic objective to continue building stronger financial fundamentals. We are estimating at the end of the year a Net Leverage Ratio of 4.6X.

CEO STATEMENT

Commenting on the industry and the Company's outlook, Miguel Rincon, Durango's Chairman and CEO, said... "Our new operating and financial fundamentals allowed us to deliver our strongest quarter of the last few years. Durango's positive results validate the Company's business strategy and our relentless search for productivity gains and continue strengthening our balance sheet. The industry expect lower volumes during the fourth quarter due to seasonality as well as higher energy and raw material cost due to winter weather. We remain cautious about economic condition in the US and Mexico"... concluded Rincon.

CONFERENCE CALL

You are cordially invited to our Company's Third Quarter 2006 Conference Call, which will be held on Friday, October 27, 2006 - 1:00 p.m. (EST) // 12:00 p.m. (Mexico - Durango). Investors may participate in the live Conference Call by dialing (800) 510-9836 (US Participants) or (617) 614-3670 (International Participants) with 34570653 as Passcode. Please dial in at least 10 minutes prior to the start of the call.

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

	December 31, 2005	Sep 30, 2006	US\$ DLLS. Sep 30, 2006
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 722,042	\$ 583,627	53,088
Accounts receivable, net	1,750,072	1,844,426	167,774
Taxes recoverable and other assets	46,688	40,130	3,650
Inventories, net	1,230,676	1,175,259	106,905
Prepaid expenses	16,040	36,455	3,316
Total current assets	3,765,518	3,679,897	334,734
PROPERTY, PLANT AND EQUIPMENT, net	11,214,876	11,379,251	1,035,089
OTHER ASSETS, net	266,792	257,422	23,416
Total assets	\$ 15,247,186	\$ 15,316,570	1,393,239
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Bank loans and current portion of long-term debt .	265,882	173,960	15,824
Interest payable	14,269	5,352	487
Trade accounts payable	868,832	892,275	81,164
Notes payable	49,952	35,234	3,205
Accrued liabilities	489,777	761,066	69,229
Employee profit-sharing	1,025	65,389	5,948
Total current liabilities	1,689,737	1,933,276	175,856
LONG-TERM DEBT	6,668,125	5,852,766	532,384
LONG-TERM NOTES PAYABLE	66,713	37,978	3,455
DEFERRED TAXES.....	1,647,423	1,834,580	166,879
LIABILITY FOR EMPLOYEE BENEFITS.....	315,473	310,094	28,207
Total long term liabilities	8,697,734	8,035,418	730,924
Total liabilities	10,387,471	9,968,694	906,781
STOCKHOLDERS' EQUITY:			
Majority interest	4,799,993	4,953,214	450,558
Minority interest	59,722	394,662	35,900
Total stockholders' equity	4,859,715	5,347,876	486,458
Total liabilities and stockholders' equi	\$ 15,247,186	\$ 15,316,570	1,393,239

Exchange rate: \$ 10.9935

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 SEPTEMBER 30, 2006
 (Stated in thousands of Pesos and Dollars)

	Full Year 2005	Acum. Sep 2006	Acum. S US\$ 20
OPERATING ACTIVITIES:			
Net income (loss)	\$ 167,925	-43,663	-3,

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Add (deduct)- Charges (credits) to income which do not require (generate) resources:			
Depreciation and amortization	434,670	306,075	27,
Loss (Gain) on sale of property, plant and equipment	-1,738	7,671	
Impairment of long-lived assets	-116,602	0	
Deferred income taxes	247,133	118,809	10,
Other.....	-26,749	33,985	3,
Total items which do not require cash.....	536,714	466,540	42,
Net resources generated from income	704,639	422,877	38,
Changes in operating assets and liabilities:			
Decrease (Increase) in inventories	-92,208	55,417	5,
Decrease (Increase) in current assets	94,450	-13,857	-1,
Decrease (increase) in account receivables, net	20,529	-94,354	-8,
(Decrease) increase in accounts payable and accrued liabilities	-151,620	335,461	30,
Resources generated by continued operating	575,790	705,544	64,
Assets and liabilities discontinued	-426,721	0	
Resources generated by operating activities	149,069	705,544	64,
FINANCING ACTIVITIES:			
Increase (Decrease) in bank loans and others	-3,909,428	-982,905	-89,
Increase (Decrease) in capital	297,879	0	
Gain on shares sales	3,046,878	0	
Net resources generated from financing activities	-564,671	-982,905	-89,
INVESTMENT ACTIVITIES:			
Acquisition and sale of property, plant and equipment....	-62,592	-172,623	-15,
Profit on sale of discontinued operations.....	342,619	0	
Acquisition of shares	-55,330	0	
Increase in minority interest	0	319,077	29,
Decrease (Increase) in deferred assets	28,899	-7,508	-
Net resources applied to investing activities	253,596	138,946	12,
INCREASE IN CASH AND CASH EQUIVALENTS	-162,006	-138,415	-12,
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD.....	884,048	722,042	65,
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	722,042\$	583,627US	53,

* The exchange rate of 10.9935 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 SEPTEMBER 30, 2006

	Thousands of Pesos			Thousands of Dollars	
	3Q 2005	3Q 2006	Var	3Q 2005	3Q 2006
NET SALES	\$ 2,063,017\$	2,593,639	26%	183,178	235,
COST OF SALES	1,823,713	2,173,222	19%	161,877	197,
Gross profit.....	239,304	420,417	76%	21,301	38,
Selling and Administrative expenses	168,318	181,089	8%	14,954	16,
Operating income	70,986	239,328	237%	6,347	21,
FINANCIAL EXPENSE:					
Interest expense	143,041	142,269	-1%	12,730	12,
Interest income	-10,373	-7,698	-26%	-922	-

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Exchange (gain) loss, net	8,690	-173,095	N/A	773	-15,
Gain on monetary position	-28,302	-111,588	294%	-2,531	-10,
Total financial expense	113,056	-150,112	N/A	10,050	-13,
OTHER INCOME (EXPENSES):					
Other income (expense), net	35,973	-11,024	N/A	3,198	-1,
Total other income (expense)	35,973	-11,024	N/A	3,198	-1,
Income (loss) before income and asset t	-6,097	378,416	N/A	-505	34,
Provisions for income and asset taxes ...	62,629	56,382	-10%	5,582	5,
Provision for deferred income taxes	-213,099	139,657	N/A	-18,980	12,
Net income after taxes	144,373	182,377	26%	12,893	16,
Discontinued operations	-3,320	0	-100%	-296	
Net income before minority interest.....\$	147,693\$	182,377	23%	13,189	16,
Minority interest.....	13,592	822	-94%	1,211	
Majority net income.....\$	134,101\$	181,555	35%	11,978	16,
Operating income	70,986	239,328	237%	6,347	21,
Depreciation & amortization	108,160	99,599	-8%	9,608	9,
Interest income	10,373	7,698	-26%	922	
Employee retirement obligations	8,607	10,969	27%	766	
Allowance for doubtful accounts	4,541	3,196	-30%	404	
EBITDA	202,667	360,790	78%	18,047	32,

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 SEPTEMBER 30, 2006

	Thousands of Pesos			Thousands of Dollars	
	Ac 2005	Ac 2006	Var	Ac 2005	Ac 2006
NET SALES	\$ 6,410,225\$	7,134,810	11%	560,272	639,
COST OF SALES	5,606,118	6,054,279	8%	490,005	542,
Gross profit.....	804,107	1,080,531	34%	70,267	96,
Selling and Administrative expenses	487,285	513,655	5%	42,625	46,
Operating income	316,822	566,876	79%	27,642	50,
FINANCIAL EXPENSE:					
Interest expense	442,781	444,268	0%	38,717	39,
Interest income	-27,925	-20,125	-28%	-2,425	-1,
Exchange (gain) loss, net	-242,071	242,484	N/A	-21,469	20,
Gain on monetary position	-96,506	-147,896	53%	-8,363	-13,
Total financial expense	76,279	518,731	580%	6,460	45,
OTHER INCOME (EXPENSES):					
Other income (expense), net	-101,755	119,350	N/A	-8,762	10,
Total other income (expense)	-101,755	119,350	N/A	-8,762	10,
Income (loss) before income and asset t	138,788	167,495	21%	12,420	15,
Provisions for income and asset taxes ...	85,927	92,349	7%	7,603	8,
Provision for deferred income taxes	45,402	118,809	162%	3,605	10,
Net income after taxes	7,459	-43,663	N/A	1,212	-3,
Discontinued operations	-47,603	0	-100%	-4,168	
Net income before minority interest.....\$	55,062\$	-43,663	N/A	5,380	-3,
Minority interest.....	-23,443	15,187	N/A	-1,927	1,
Majority net income.....\$	78,505\$	-58,850	N/A	7,307	-4,
Operating income	316,822	566,876	79%	27,642	50,

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Depreciation & amortization	326,485	298,251	-9%	28,540	26,
Interest income	27,925	20,125	-28%	2,425	1,
Employee retirement obligations	26,734	33,985	27%	2,360	3,
Allowance for doubtful accounts	13,693	8,807	-36%	1,197	
EBITDA	711,659	928,044	30%	62,164	83,

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.

Date: October 25, 2006

By /s/ Mayela Rincon de Velasco

 Name: Mayela Rincon de Velasco
 Title: Chief Financial Officer