

Investor Day



Solomon R. Guggenheim Museum, New York
April 2, 2009



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.

Event Schedule



08:00am Breakfast and registration

08:45am Presentation by Daniel Novegil, CEO

09:45am Coffee break

10:00am Q&A with Ternium's management

11:00am Closing remarks



Market Overview: New Competitive Landscape

Ternium's Strategic Positioning

Management Initiatives

Conclusion



Market Overview: New Competitive Landscape

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Management Initiatives

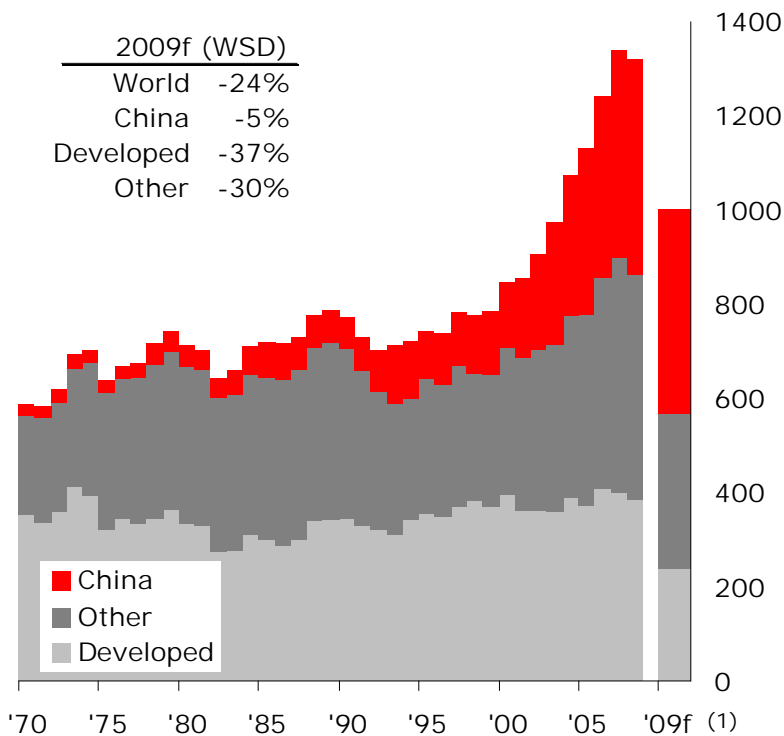
Conclusion

Market overview

Impact of crisis on world steel consumption



World Steel Consumption
(million tonnes)



Source: WSD(1)/WSA/Ternium

Steel capacity utilization
(%)

Region	Jan'09 vs Average '07 Utilization Rate
World	67% vs 94%
China	89% vs 99%
Asia ex China	68% vs 92%
CIS	50% vs 100%
Europe	49% vs 92%
Latam	48% vs 86%
Mexico	43% vs 85%
Argentina	56% vs 98%
USA / Canada	44% vs 92%
Africa	44% vs 64%
Others	61% vs 76%

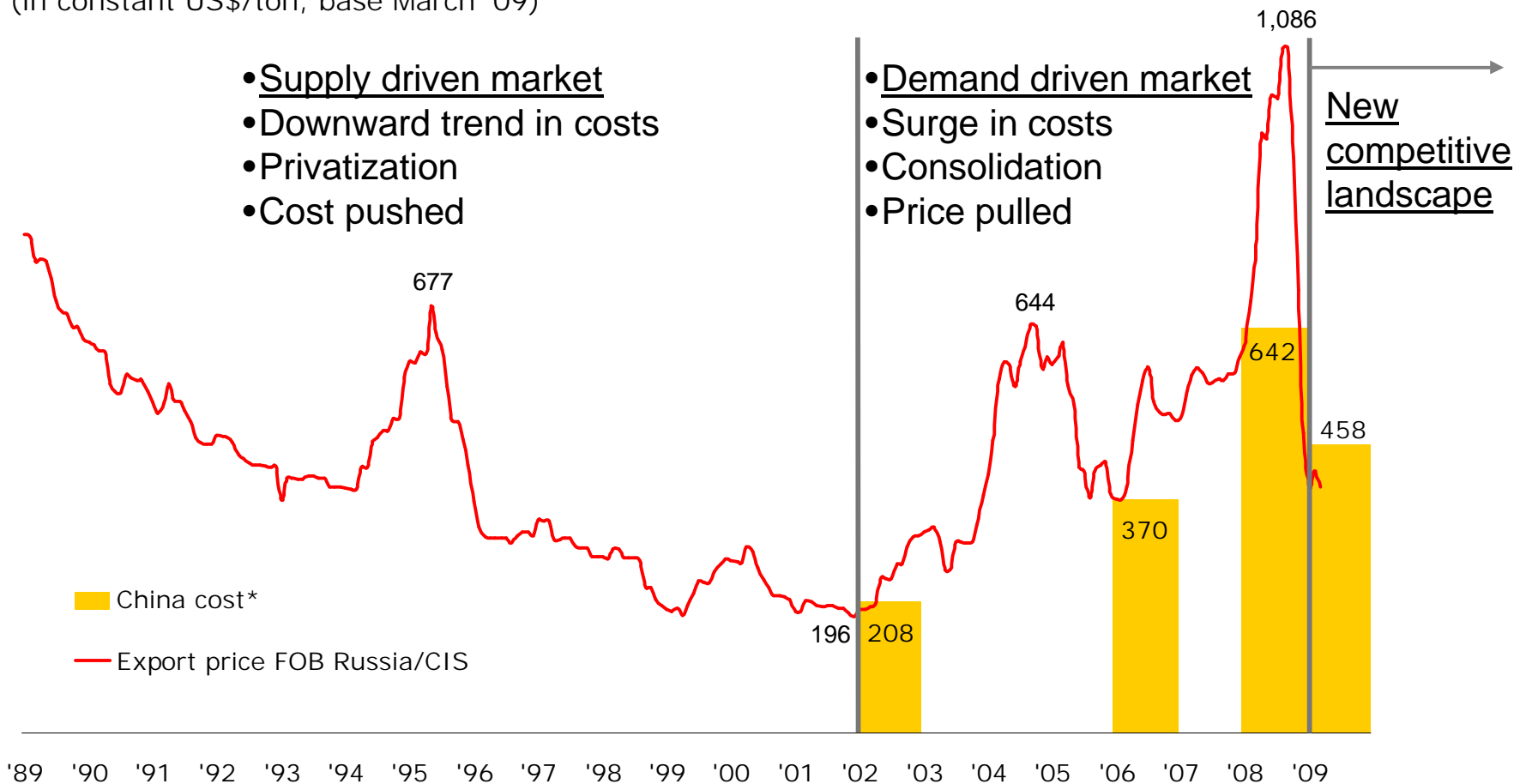
• Jan '09 Ternium (crude steel): Average 76%, Ternium Mexico 87%, Ternium Siderar 63%

Market overview

International HRC price



HRC price and cost
 (in constant US\$/ton, base March '09)



- Supply driven market
- Downward trend in costs
- Privatization
- Cost pushed

- Demand driven market
- Surge in costs
- Consolidation
- Price pulled

New competitive landscape

* '09 assuming -30% Iron Ore, -58% Coal, taxes and export costs included

Source: CRU/WSD/Fed

Market overview

New competitive landscape



- From globalization to regionalization, trade barriers; regional focus, value added
- Uneven reduction in raw material prices and currency devaluation; production flexibility and cost competitiveness
- Overcapacity in net exporting regions; slab availability
- Further consolidation, inefficient capacity shutdown



Market Overview: New Competitive Landscape

Ternium's Strategic Positioning

Management Initiatives

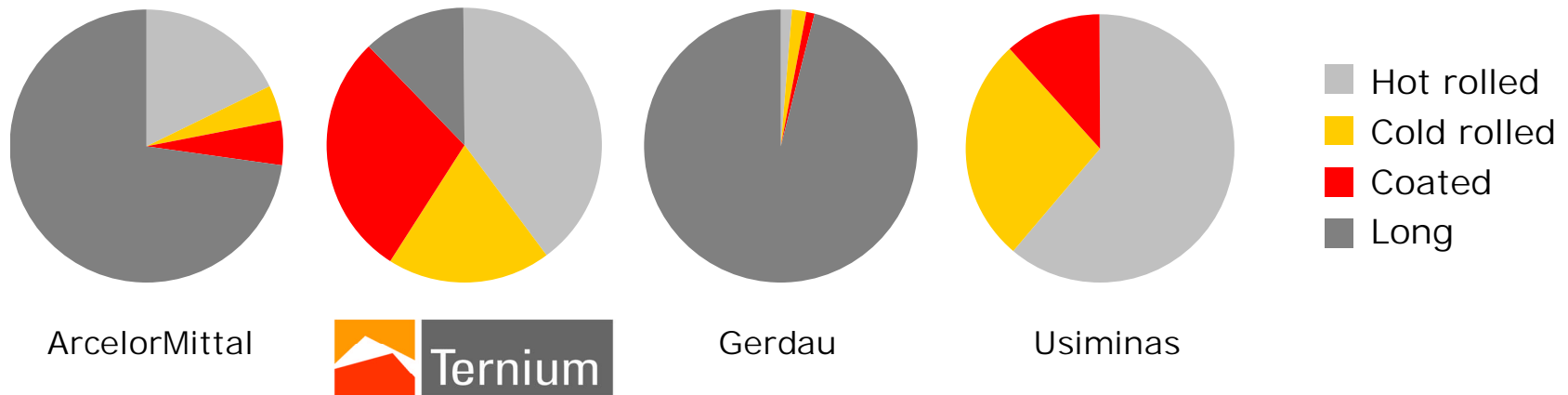
Conclusion

Ternium's strategic positioning



- Regional leadership, strong market share, downstream integration, diversified product mix
- Cost advantages relative to competitors
- Flexibility (integrated, minimill, slab re-rolling)
- Experienced management team with successful track record

Product mix – Top Players in Latin America
(2008 finished steel shipments of Latin American units, in tonnes)



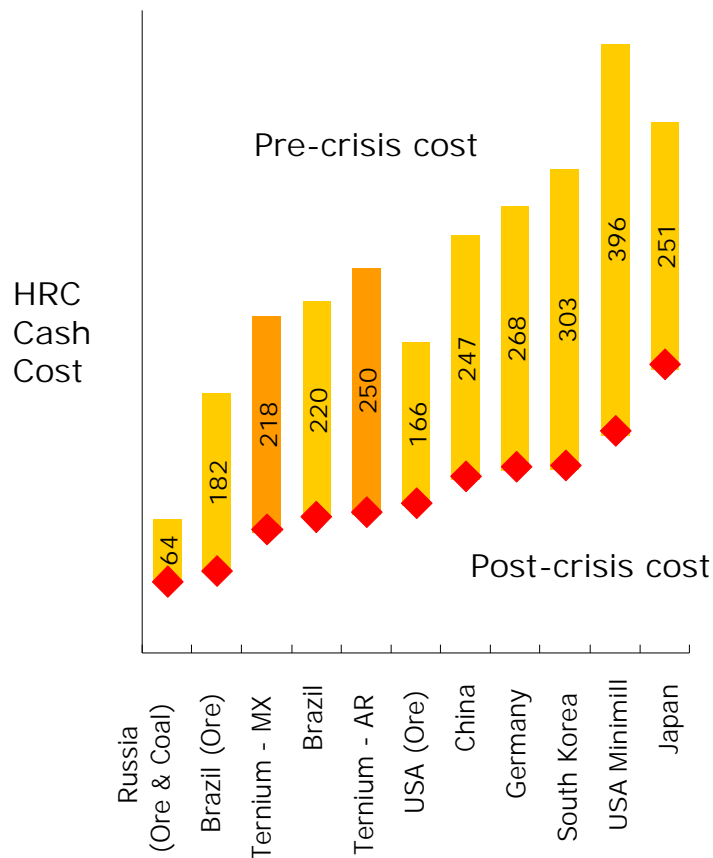
Source: Ternium estimates/Corporate Websites/Inda

Ternium's strategic positioning

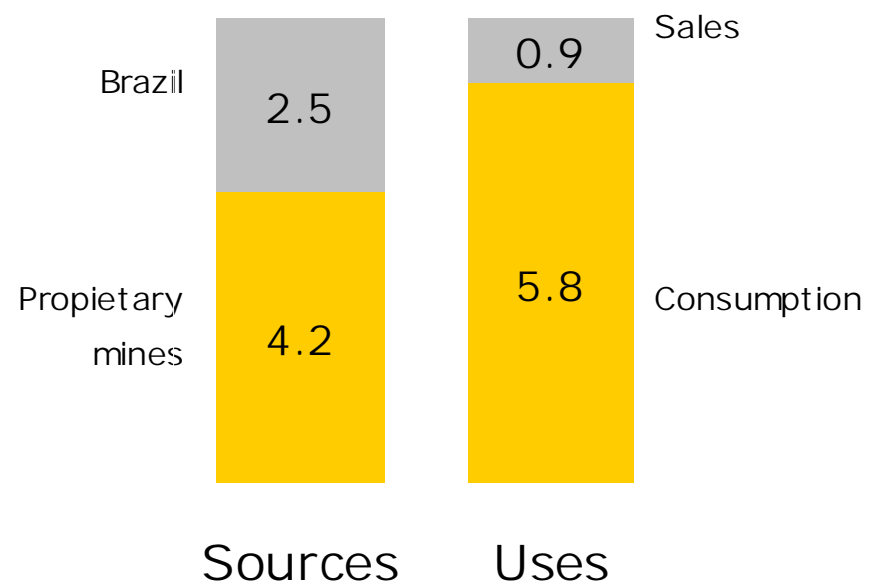
Cost advantages relative to competitors



Cost reductions Post Crisis
(US\$/ton)



Ternium's Iron Ore supply 2009e
(mtpy)

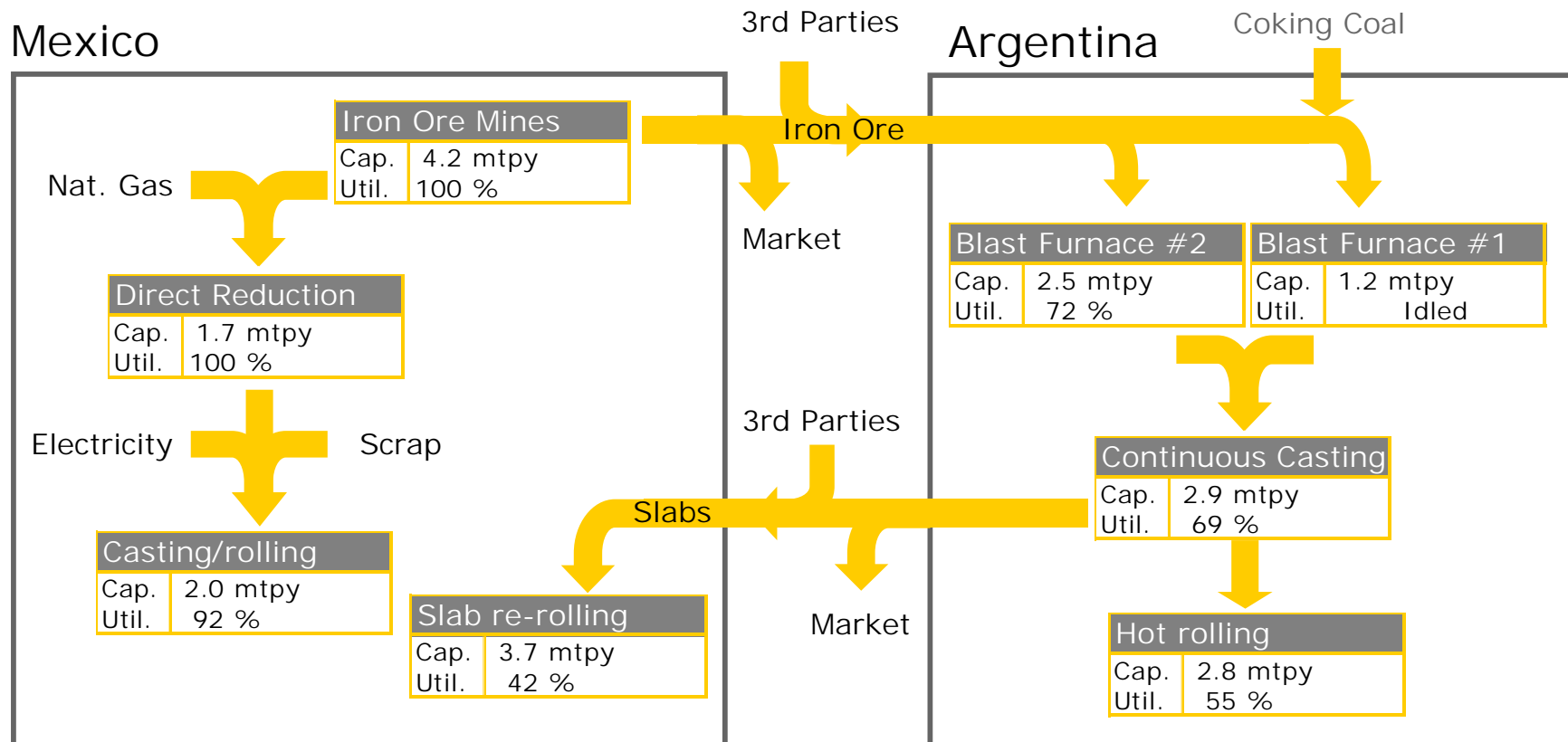


• Iron ore self-sufficiency at 72% in 2009

Source: WSD/Ternium estimates assuming -30% ore, -58% coal

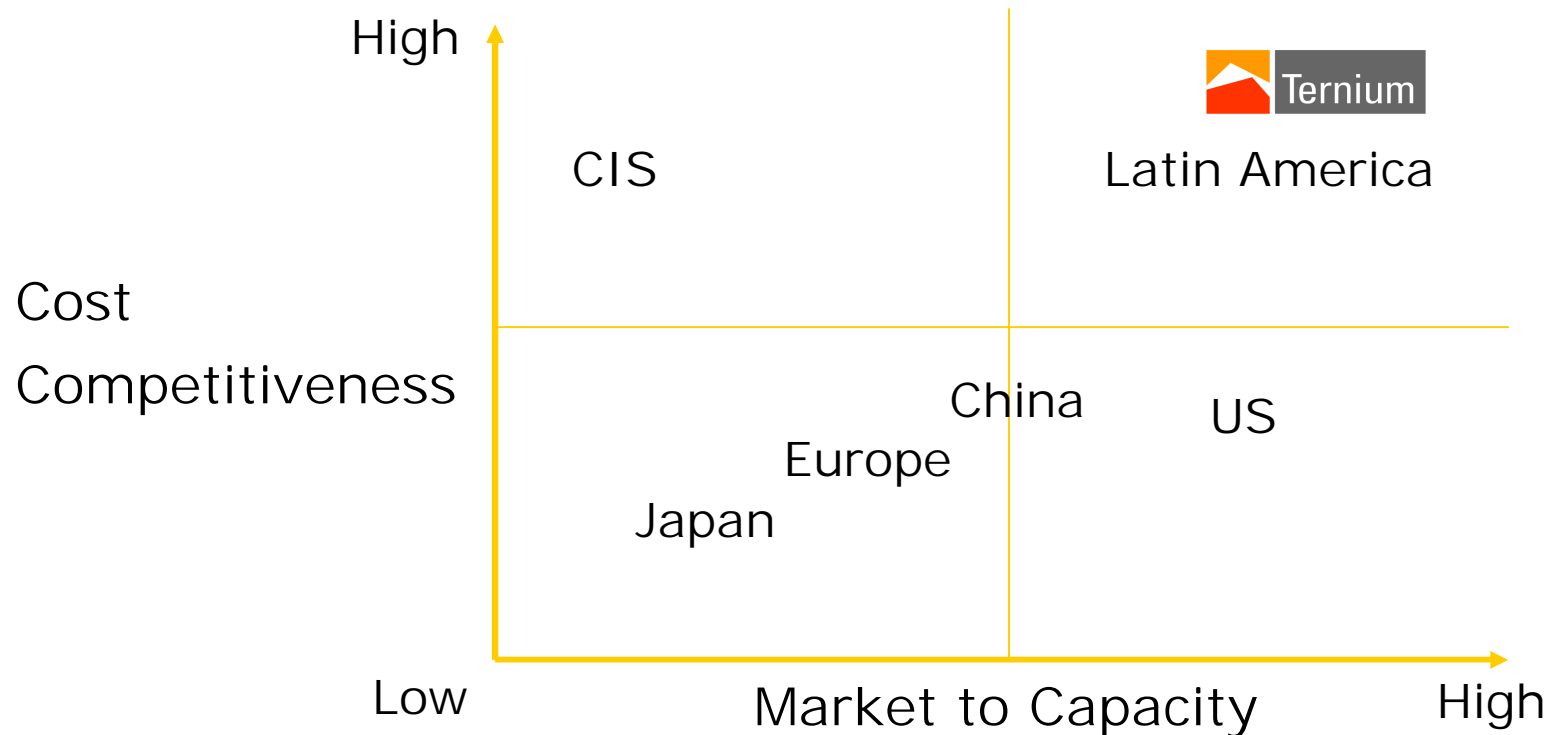
Ternium's strategic positioning

Production flexibility



Flat steel facilities. Utilization rates as of March'09

Ternium's strategic positioning



Competitive edge in new environment:

- High market share, downstream integration and high value added
- Low cost, production flexibility



Market Overview: New Competitive Landscape

Ternium's Strategic Positioning

Management Initiatives

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Management initiatives



- Rapid reduction of working capital
 - Production cuts and transfers between Production Units
 - Halting all steel and raw material procurement
- CAPEX reductions, re-assessment of expansion plans
- Improvement of financial position
- Cost reductions, contract renegotiations, headcount adjustments
- Increase market share, import substitution

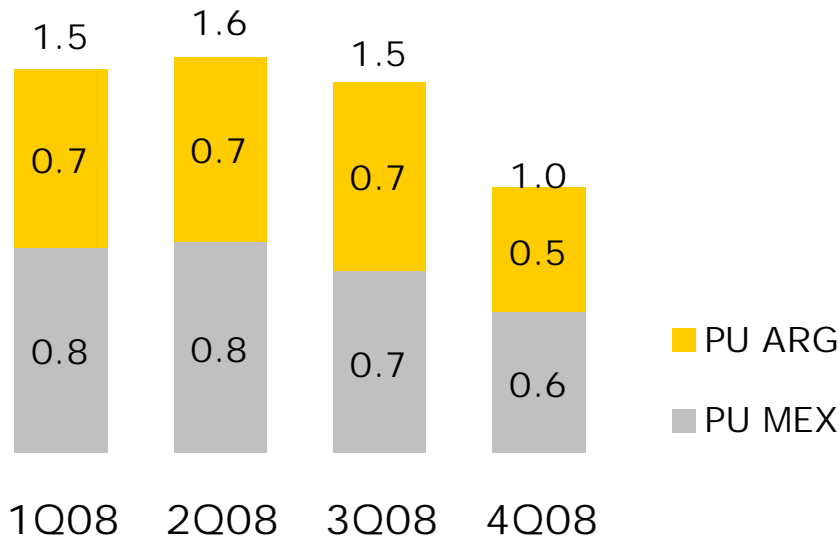
Management initiatives

Production and steel purchase reduction

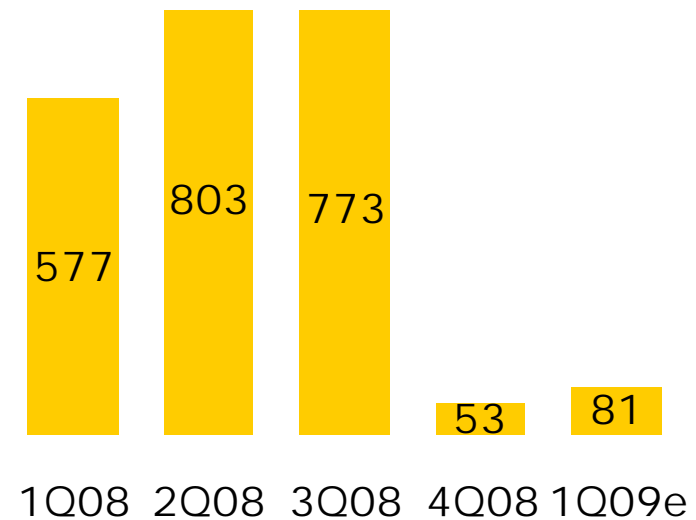


- Production cuts in line with demand levels and working capital reduction plans
- Priorization of lower cost inputs and facilities
- Steel purchasing minimized, in part replaced by intercompany transfers

Crude steel production
(million tonnes)



Slab purchases
(thousand tonnes)



Source: Ternium

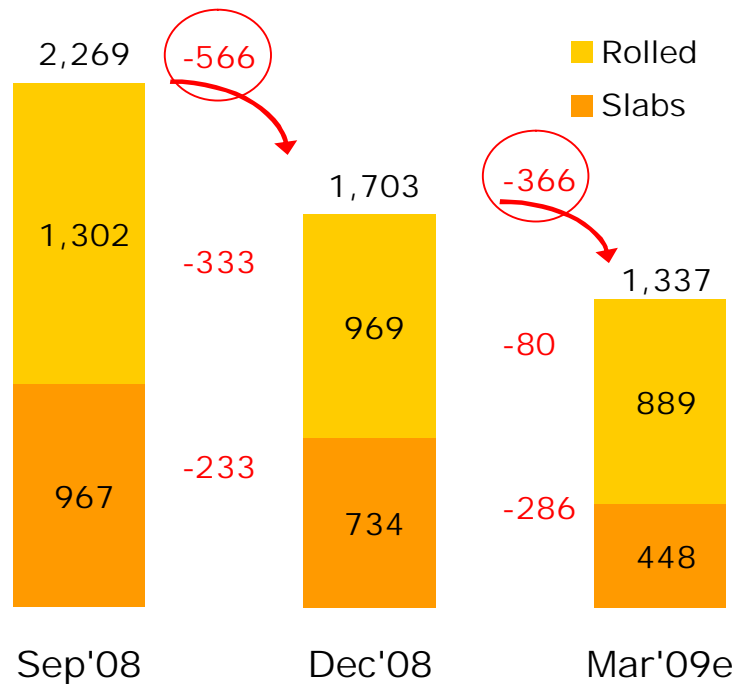
Management initiatives

Inventory reduction

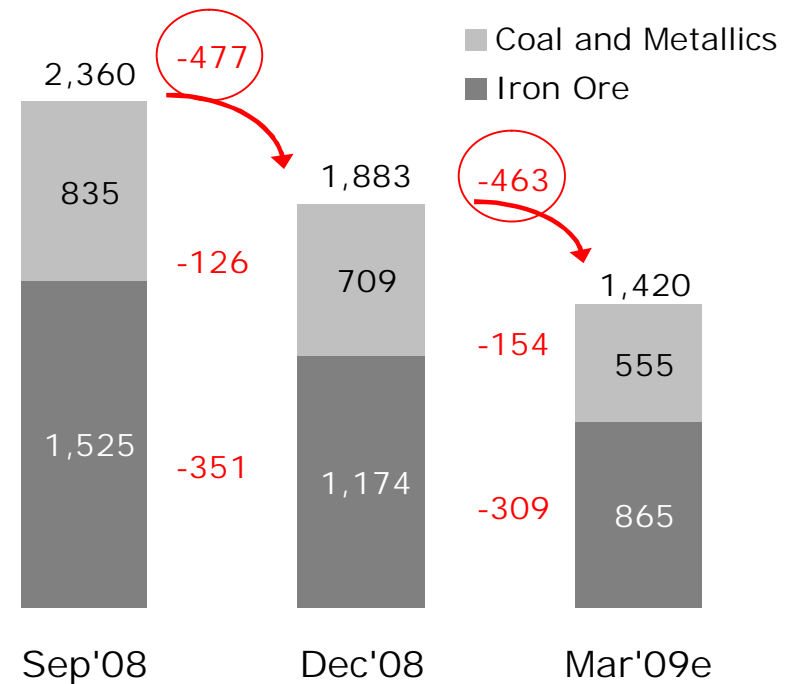


- De-stocking of raw materials, semis and finished steel

Steel inventories
(thousand tonnes)



Raw material inventories
(thousand tonnes)



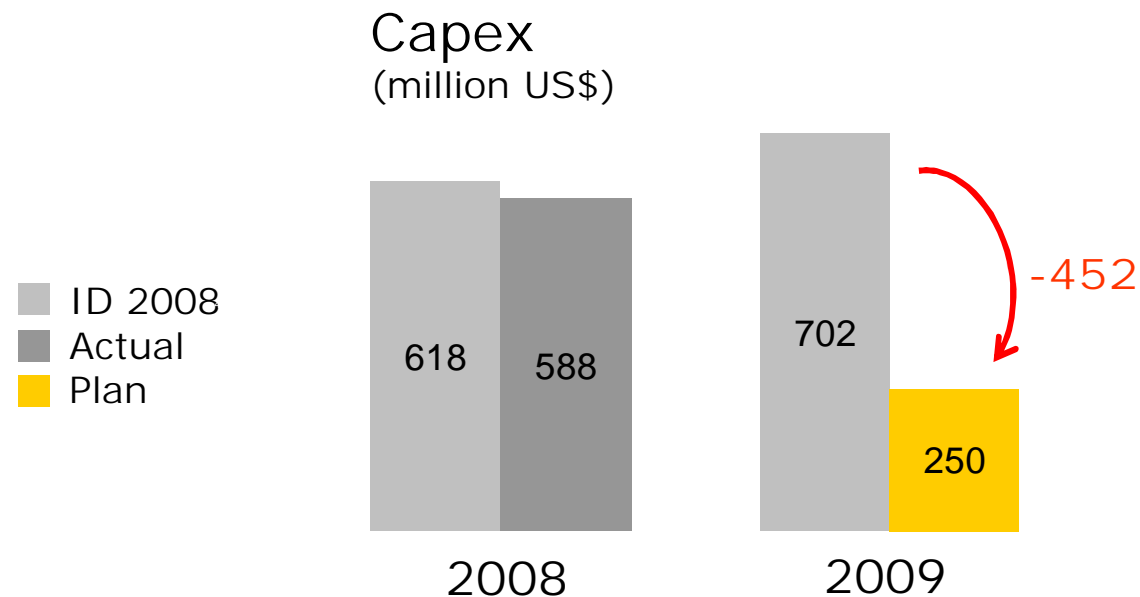
Source: Ternium

Management initiatives

Capex reduction



- Complete re-assessment of capex program
- Re-negotiating contracts with suppliers
- Expansion plans being re-evaluated: expansion in Argentina suspended, project in Mexico currently in design stage



Source: Ternium

Management initiatives

Cost reduction



- Comprehensive cost reduction program
- Contract renegotiations with suppliers
- Re-assignments, headcount reduction, temporary layoffs

Headcount reduction

	Aug'05	Jun'07	Feb'09
White Collar	4,643	3,940	3,370
Blue Collar	13,546	12,718	12,147
Contractors	3,877	2,555	1,228
Total	22,066	19,213	16,745

Source: Ternium

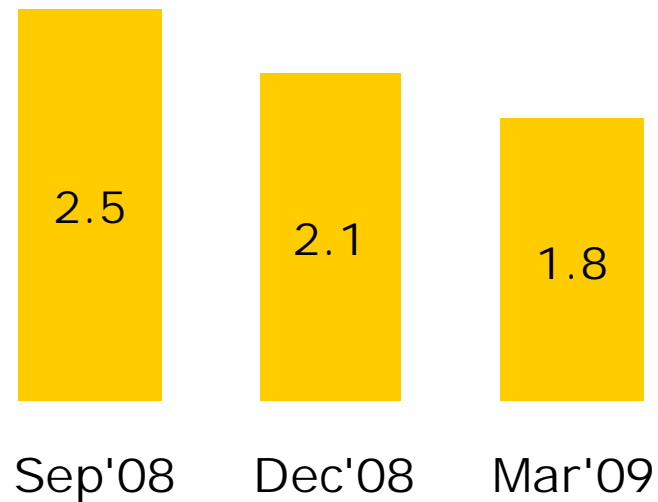
Management initiatives

Net debt reduction



- Cash position of US\$1.2 billion as of March 31, 2009
- Net Debt of US\$1.8 billion as of March 31, 2009

Net debt position
(billion US\$)



Source: Ternium



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Conclusion: Ternium will weather the storm and will succeed in new competitive landscape



- Local focus, strong market share in domestic markets, downstream integration
- Flexible producer, cost advantages relative to competitors
- Rapid response to downturn, productive re-configuration, cost reduction initiatives, financial position improvement
- Management team with successful track record and crisis management experience
- Strong fundamentals

