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### Ternium Provides Update on Luxembourg 1929 Regime Status

Luxembourg, December 29, 2006 – Ternium S.A. (NYSE: TX) announced today that, following a previously announced decision by the European Commission, the Grand-Duchy of Luxembourg has terminated its 1929 holding company regime, effective January 1, 2007. However, under the implementing legislation, pre-existing publicly listed companies - including Ternium - will be entitled to continue benefiting from their current tax regime until December 31, 2010, irrespective of any share transfers that may occur within that period.

Ternium is one of the leading steel companies in the Americas, offering a wide range of flat and long steel products. Ternium has operating locations in Mexico, Argentina and Venezuela that provide it with a strong position from which to serve its core markets. In addition, Ternium reaches the global markets through its own distribution network. More information about Ternium is available on the Company's Web site at [www.ternium.com](http://www.ternium.com).