



Shareholder Meeting Brochure and Proxy Statement

Ternium S.A.
Société Anonyme Holding
46A, avenue John F.
Kennedy
L-1855, Luxembourg

Shareholder meeting brochure and proxy statement

Annual General Meeting of Shareholders to be held on June 3, 2009 at 2:30 p.m. C.E.T.

This Shareholder Meeting Brochure and Proxy Statement is furnished by TERNIUM S.A., *société anonyme holding* (the “Company”), in connection with the Annual General Meeting of Shareholders of the Company (the “Meeting”) to be held on June 3, 2009, starting at 2:30 p.m., Central European Time, for the purposes set forth in the accompanying Notice of the Annual General Meeting of Shareholders (the “Notice”), at the Company’s registered office in Luxembourg, located at 46A, avenue John F. Kennedy L-1855 Luxembourg.

As of April 29, 2009, there were issued and outstanding 2,004,743,442 ordinary shares, USD 1.00 par value each, of the Company (the “Shares”), including Shares (the “Deposited Shares”) deposited with The Bank of New York Mellon (the “Depositary”) under the Deposit Agreement, dated as of January 31, 2006 (the “Deposit Agreement”), among the Company, the Depositary and owners and beneficial owners from time to time of American Depositary Receipts (the “ADRs”) issued thereunder. The Deposited Shares are represented by American Depositary Shares, which are evidenced by the ADRs (one ADR equals ten Deposited Shares).

Each Share entitles the holder thereof to one vote at General Meetings of Shareholders of the Company.

Any holder of one or more Share(s) as of May 29, 2009 shall be admitted to the Meeting. Holders of Shares as of May 29, 2009 may also vote by proxy.

Each holder of ADRs as of April 29, 2009 is entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the Shares represented by such holder’s ADRs. Eligible holders of ADRs who desire to give voting instructions in respect of the Shares represented by their ADRs must complete, date and sign a proxy form and return it to The Bank of New York Mellon Shareowner Services, P.O. Box 3549, S. Hackensack New Jersey 07606-9249, U.S.A. Attention: Proxy Processing, by **5:00 p.m., New York City time, on May 29, 2009**. If the Depositary receives properly completed instructions by **5:00 p.m., New York City time, on May 29, 2009**, then it shall endeavor, insofar as practicable, to vote or cause to be voted the shares underlying such ADRs in the manner prescribed by the instructions. However, if by **5:00 p.m., New York City time, on May 29, 2009**, the Depositary receives no instructions from the holder of ADRs, or the instructions received are not in proper form, then the Depositary shall deem such holder to have instructed the Depositary to give, and the Depositary shall give, a discretionary proxy to a person designated by the Company with respect to that amount of Shares underlying such ADRs to vote that amount of Shares underlying such ADRs in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote that amount of shares underlying such ADRs on any issue in accordance with the majority shareholders’ vote on that issue) as determined by the appointed proxy. No instruction shall be deemed given and no discretionary proxy shall be given with respect to any matter as to which the Company informs the Depositary that (x) it does not wish such proxy given, (y) substantial opposition exists, or (z) the matter materially and adversely affects the rights of the holders of ADRs. Any holder of ADRs is entitled to revoke or revise any instructions previously given to the Depositary by filing with the Depositary a written revocation or duly executed instructions bearing a later date at any time prior to **5:00 p.m., New York City time, on May 29, 2009**. No instructions, revocations or revisions thereof will be accepted by the Depositary after that time. In order to avoid the possibility of

double vote, the Company's ADR books will be closed for cancellations from April 29, 2009 until May 29, 2009.

Holders of ADRs maintaining non-certificated positions must follow voting instructions outlined by their broker or custodian bank.

Holders of ADRs traded in the New York stock exchange need not have their ADRs blocked for trading.

The Meeting will appoint a chairperson *pro tempore* to preside over the Meeting. The chairperson *pro tempore* will have broad authority to conduct the Meeting in an orderly and timely manner and to establish rules for shareholders who wish to address the Meeting; the chairperson may exercise broad discretion in recognizing shareholders who wish to speak and in determining the extent of discussion on each item of the agenda.

Pursuant to the Company's Articles of Association, resolutions at the Meeting will be passed by a simple majority of the votes cast, irrespective of the number of shares present or represented.

The Meeting is called to address and vote on the following agenda:

1. Consideration of the Board of Directors' and independent auditor's reports on the Company's consolidated financial statements. Approval of the Company's consolidated financial statements as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006

The Board of Directors recommends a vote FOR approval of the Company's consolidated financial statements as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006, after due consideration of the reports from each of the Board of Directors and the independent auditor on such consolidated financial statements. The consolidated balance sheets of the Company and its subsidiaries and the related consolidated income statements, consolidated statements of changes in shareholders' equity, consolidated cash flow statements and the notes to such consolidated financial statements, the report from the independent auditor on such consolidated financial statements and management's discussion and analysis on the Company's results of operations and financial condition are included in the Company's 2008 annual report, a copy of which is available on our website at <http://www.ternium.com/en/investor/> and may also be obtained upon request, by calling +352 26 68 31 52 or +1 (800) 555 2470 (the latter number is toll free if you call from the United States). Copies of the Company's 2008 annual report are also available free of charge at the Company's registered office in Luxembourg.

2. Consideration of the Board of Directors' and independent auditor's reports on the Company's annual accounts. Approval of the Company's annual accounts as at December 31, 2008

The Board of Directors recommends a vote FOR approval of the Company's annual accounts as at December 31, 2008, after due consideration of the Board of Directors' management report and the report from the independent auditor on such annual accounts. These documents are included in the Company's 2008 annual report, a copy of which is available on our website at

<http://www.ternium.com/en/investor/> and may also be obtained upon request, by calling +352 26 68 31 52 or +1 (800) 555 2470 (the latter number is toll free if you call from the United States). Copies of the Company's 2008 annual report are also available free of charge at the Company's registered office in Luxembourg.

3. Allocation of results

The Board of Directors recommends a vote FOR approval of the allocation of the profits of the year ended December 31, 2008 of USD 225,455,160.00 to the Company's retained earnings account.

4. Discharge to the members of the Board of Directors for the exercise of their mandate throughout the year ended December 31, 2008

In accordance with applicable Luxembourg law and regulations, it is proposed that, upon approval of the Company's annual accounts as at December 31, 2008, the members of the Board of Directors be discharged from any liability in connection with the management of the Company's affairs during such year.

5. Election of the Members of the Board of Directors

The Company's Articles of Association provide for the annual election by the shareholders of a Board of Directors of not less than five and not more than fifteen members. Members of the Board of Directors have a term of office of one year, but may be reappointed.

Under the Company's Articles of Association and applicable U.S. laws and regulations, effective on February 1, 2006, the Company is required to have an Audit Committee comprised solely of directors who are independent.

The present Board of Directors of the Company consists of eleven Directors. Three members of the Board of Directors (Messrs. Ubaldo Aguirre, Adrian Lajous and Pedro Pablo Kuczynski) qualify as independent members under the Company's Articles of Association and applicable law and are members of the Audit Committee.

It is proposed that the number of members of the Board of Directors be maintained at eleven and that all of the current members of the Board of Directors be re-elected.

Set forth below is summary biographical information of each of the candidates:

1) Mr. Ubaldo Aguirre*. Mr. Aguirre has served on the Company's board of directors since 2006. He is a managing director of Aguirre, Gonzalez and Marx S.A., an Argentine investment banking firm, and also serves as a member of the board of directors of Juan Minetti S.A., a subsidiary of Holcim, the Swiss cement producer. Since 2005, he also serves as chairman of the board of directors of Permasur S.A. and since 2000 as member of the board of directors of URS Argentina S.A. Mr. Aguirre formerly served as director and chairman of the audit committee of Siderar S.A.I.C. ("Siderar"). Mr. Aguirre began his career at the World Bank in Washington, D.C. In addition, Mr. Aguirre has been a member of the boards of each of Argentina's Central Bank —where he was responsible for that country's external borrowing program and financial negotiations— Banco de la Nación Argentina

and Banco Nacional de Desarrollo. He also served as the Republic of Argentina's financial representative for Europe in Geneva and negotiator on behalf of the Republic of Argentina with the Paris Club. Mr. Aguirre, aged 60, is an Argentine citizen.

2) Mr. Roberto Bonatti. Mr. Bonatti has served as a director of the Company since 2005. He is a grandson of Agostino Rocca, founder of the Techint group, a group of companies controlled by San Faustin N.V. ("San Faustin"). Throughout his career in the Techint group he has been involved specifically in the engineering and construction and corporate sectors. He was first employed by the Techint group in 1976, as deputy resident engineer in Venezuela. In 1984, he became a director of San Faustín, and since 2001 he has served as its president. In addition, Mr. Bonatti currently serves as president of Techint Compañía Técnica Internacional S.A.C.I. and Tecpetrol S.A. ("Tecpetrol"). He is also a member of the board of directors of Tenaris S.A. ("Tenaris"), Siderca S.A.I.C. ("Siderca") and Siderar. Mr. Bonatti, aged 59, is an Italian citizen.

3) Mr. Wilson Nélio Brumer. Mr. Brumer has served as a director of the Company since 2008. He is chairman of the board of directors of Usinas Siderurgicas de Minas Gerais S/A – USIMINAS ("Usiminas"), a position to which he was appointed on April 29, 2008. He was Secretary of State of Economic Development in the State of Minas Gerais, Brazil. He also served as Chairman and Vice-Chairman of the Board of Directors of Companhia Vale Do Rio Doce, Chairman of the Board of Directors of BHP Billiton in Brazil, and President of Acesita S.A. Throughout his career, Mr. Brumer served as member of the Board of Directors of several Brazilian companies and entities related to the steel industry. Mr. Brumer, aged 60, is a Brazilian citizen.

4) Mr. Marco Antônio Soares da Cunha Castello Branco. Mr. Castello Branco has served as a director of the Company since 2008. He currently serves as President-CEO of Usiminas, a position to which he was appointed on April 29, 2008. He has held several positions within Mannesman (now Vallourec & Mannesmann Tubes) including Commercial Director and Chairman of the Board of Directors. Mr. Castello Branco, aged 48, is a Brazilian citizen.

5) Mr. Carlos Alberto Condorelli. Mr. Condorelli has served as a director of the Company since 2005. He is currently a member of the board of directors of Tenaris. He began his career within the Techint group in 1975 as an analyst in the accounting and administration department of Siderar. He has held several positions within Tenaris and other Techint group companies, including chief financial officer of Tenaris, finance and administration director of Tubos de Acero de México, S.A. ("Tamsa"), and president of the board of directors of Empresa Distribuidora La Plata S.A., an Argentine utilities company. Mr. Condorelli, aged 58, is an Argentine citizen.

6) Mr. Pedro Pablo Kuczynski*. Mr. Kuczynski has served as a member of the Company's Board of Directors since 2007. He was Prime Minister of Peru in 2005-2006 and prior to that he was the Minister of Economy and Finance from 2001. He was the Republic of Peru's Minister of Energy and Mines in 1980-82. He was president until 2001 of a private equity firm he founded in 1992 after spending ten years as Chairman of First Boston International (today Credit Suisse) in New York. Since 2007, he is Senior Advisor to the Rohatyn Group, a firm specializing in emerging markets. He ran a bauxite mining company affiliated with Alcoa between 1977 and 1980. He began his career at the World Bank in 1961 and was in the 1970s head of its Policy Planning Division, Chief Economist for Latin America and Chief Economist of IFC. He was born in Peru in 1938 and educated in Peru and at Oxford and Princeton. Mr. Kuczynski, aged 70, is a U.S. and Peruvian national.

7) Mr. Adrian Lajous*. Mr. Lajous has served as a director of the Company since 2006. Mr. Lajous currently serves as the senior energy advisor to McKinsey & Company, chairman of the Oxford

Institute for Energy Studies, president of Petrométrica, S.C. and non-executive director of Schlumberger, Ltd. and Trinity Industries Inc. Mr. Lajous began his career teaching economics at El Colegio de México and in 1977 was appointed director general for energy at Mexico's Ministry of Energy. Mr. Lajous joined Pemex in 1983, where he held a succession of key executive positions including executive coordinator for international trade, corporate director of planning, corporate director of operations and director of refining and marketing. From 1994 until 1999, he served as chief executive officer of Pemex and chairman of the boards of the Pemex Group of operating companies. Mr. Lajous, aged 65, is a Mexican citizen.

8) Mr. Bruno Marchettini. Mr. Marchettini has served on the Company's Board of Directors since 2006. Mr. Marchettini is senior advisor in technological matters for the Techint group. Mr. Marchettini has retired from executive positions and is presently engaged as a consultant by Siderar. Mr. Marchettini is a director of San Faustin and Techint Financial Corporation N.V. Mr. Marchettini, aged 67, is an Italian citizen.

9) Mr. Gianfelice Mario Rocca. Mr. Rocca has served as a director of the Company since 2006. He is a grandson of Agostino Rocca. He is chairman of the board of directors of San Faustín, a member of the board of directors of Tenaris, president of the Humanitas Group, and president of the board of directors of Techint Compagnia Tecnica Internazionale S.p.A. and of Tenova S.p.A. In addition, he sits on the board of directors or executive committees of several companies, including Allianz S.p.A., RCS Quotidiani and Buzzi Unicem. He is vice president of Confindustria, the leading association of Italian industrialists. He is a member of the Advisory Board of Allianz Group, of the Trilateral Commission and of the European Advisory Board of the Harvard Business School. Mr. Rocca, aged 61, is an Italian citizen.

10) Mr. Paolo Rocca. Mr. Rocca has served as the chairman of the Company's Board of Directors since 2005. He is a grandson of Agostino Rocca. He is also chairman and chief executive officer of Tenaris, chairman of the board of directors of Tamsa and vice president of Confab Industrial S.A. In addition, he is a member of the board of directors and vice president of San Faustín and a director of Techint Financial Corporation N.V. Mr. Rocca is vice chairman of the World Steel Association and member of the International Advisory Committee of NYSE Euronext (New York Stock Exchange). Mr. Rocca, aged 56, is an Italian citizen.

11) Mr. Daniel Agustin Novegil. Mr. Novegil has served as a director and chief executive officer of the Company since 2005. Mr. Novegil joined Propulsora Siderurgica in 1978 and was appointed as its general director in 1991. In 1993, following the merger of the privatized company Somisa with Propulsora, he was appointed managing director of Siderar. In 1998, after the acquisition of Sidor, Mr. Novegil was appointed chairman and chief executive officer of Sidor. In March 2003, Mr. Novegil was designated executive vice-president of the Techint Flat and Long Steel Division, with executive responsibilities over Siderar and Sidor. He became president of Siderar in May 2005. Mr. Novegil, aged 56, is an Argentine citizen.

* Independent directors

Each elected director will hold office until the next Annual General Meeting of Shareholders. Under the current Company's Articles of Association, such meeting is required to be held on June 2, 2010.

The Board of Directors of the Company met six times during 2008. On January 12, 2006, the Board of Directors created an Audit Committee pursuant to Article 11 of the Articles of Association of the Company. As permitted under applicable laws and regulations, the Board of Directors does not have

any executive, nominating or compensation committee, or any committees exercising similar functions.

6. Compensation of the members of the Board of Directors

It is proposed that each of the members of the Board of Directors receive an amount of USD 70,000.00 as compensation for their services during the fiscal year 2009, and that the Chairman of the Board of Directors receive, further, an additional fee of USD 280,000.00. It is further proposed that each of the members of the Board of Directors who are members of the Audit Committee receive an additional fee of USD 50,000.00, and that the Chairman of such committee receive, further, an additional fee of USD 10,000.00.

7. Appointment of the independent auditors and approval of their fees

Based on the recommendation from the Audit Committee, the Board of Directors recommends a vote FOR the appointment of PricewaterhouseCoopers (acting, in connection with the Company's annual accounts and annual consolidated financial statements required under Luxembourg law, through PricewaterhouseCoopers S.à.r.l., Réviseur d'entreprises, and, in connection with the Company's annual and interim consolidated financial statements required under the laws of any other relevant jurisdiction, through Price Waterhouse & Co. S.R.L.) as the Company's independent auditors for the fiscal year ending December 31, 2009, to be engaged until the next Annual General Meeting of Shareholders that will be convened to decide on the 2009 accounts.

In addition, the Board of Directors recommends a vote FOR approval of the independent auditors' fees for audit, audit-related and other services to be rendered during the fiscal year ending December 31, 2009, broken-down into four currencies (Argentine Pesos, Euro, Mexican Pesos, and U.S. Dollars), up to a maximum amount for each currency equal to ARS 5,163,342.00; EUR 70,900.00; MXN 11,232,744.00 and USD 183,821.00. Such fees would cover the audit of the Company's consolidated financial statements and annual accounts, the audit of the Company's internal controls over financial reporting as mandated by the Sarbanes-Oxley Act of 2002, other audit-related services, and other services rendered by the independent auditors. The Board of Directors also recommends that its Audit Committee be authorized to approve any increase or reallocation of the independent auditors' fees as may be necessary, appropriate or desirable under the circumstances.

8. Authorization to the Board of Directors to delegate the day-to-day management of the Company's business to one or more of its members

It is proposed that the Board of Directors of the Company be authorized to delegate the management of the Company's day-to-day business and the authority to represent and bind the Company with his sole signature in such day-to-day management to Mr. Daniel Agustin Novegil, and to appoint Mr. Novegil as chief executive officer (*administrateur délégué*) of the Company.

9. Authorization to the Board of Directors to appoint one or more of its members as the Company's attorney-in-fact

In order to provide for the necessary flexibility in the management of the Company's affairs, it is proposed to authorize the Board of Directors of the Company (the "Board") to appoint any or all members of the Board from time to time as the Company's attorney-in-fact, delegating to such directors any management powers (including, without limitation, any day-to-day management powers) to the extent the Board may deem appropriate in connection therewith, this authorization to be valid until expressly revoked by the Company's General Shareholders Meeting, it being understood, for the avoidance of doubt, that this authorization does not impair nor limit in any way the powers of the Board to appoint any non-members of the Board of Directors as attorneys-in-fact of the Company pursuant to the provisions of article 10.1(iii) of the Articles of Association of the Company.

10. Authorization to the Board of Directors of the Company or the board of directors or other governing bodies of the Company's subsidiaries to acquire shares of the Company

It is recommended that an authorization be granted to the Company and to the Company's subsidiaries to acquire, from time to time, Shares, including Shares represented by ADRs. Any such acquisition of Shares must be made on the following terms and conditions:

1. The nominal value of the Shares so acquired, together with Shares previously acquired by the Company, the Company's wholly-owned subsidiaries or any other person acting on the Company's behalf, and not cancelled, shall not exceed 10% of the Company's issued and outstanding Shares or, in the case of acquisitions of Shares made through a stock exchange in which the Shares or ADRs are traded, such lower amount as may not be exceeded pursuant to any applicable laws or regulations of such market.
2. The acquisitions of Shares may be made in one or more transactions as the Board of Directors of the Company or the board of directors or other governing body of the relevant entity, as applicable, considers advisable. The number of Shares acquired as a block may amount to the maximum permitted amount of purchases.
3. The purchase price per ADR to be paid in cash may not exceed 125% (excluding transaction costs and expenses), nor may it be lower than 75% (excluding transaction costs and expenses), in each case of the average of the closing prices of the ADRs in the New York Stock Exchange during the five trading days in which transactions in the ADRs were recorded in the New York Stock Exchange preceding (but excluding) the day on which the ADRs are purchased. In the case of purchases of Shares other than in the form of ADRs, the maximum and minimum per Share purchase prices shall be equal to the prices that would have applied in case of an ADR purchase pursuant to the formula above *divided by* the number of underlying Shares represented by an ADR at the time of the relevant purchase. Such maximum and minimum purchase prices shall also apply to over-the-counter or off-market transactions.

4. The above maximum and minimum purchase prices shall, in the event of a change in the par value of the Shares, a capital increase by means of a capitalization of reserves, a distribution of Shares under compensation or similar programs, a stock split or reverse stock split, a distribution of reserves or any other assets, the redemption of capital, or any other transaction impacting on the Company's equity be adapted automatically, so that the impact of any such transaction on the value of the Shares shall be reflected.
5. The acquisitions of Shares may not have the effect of reducing the Company's net assets below the sum of the Company's capital stock plus its undistributable reserves.
6. Only fully paid-up Shares may be purchased pursuant to this authorization.
7. The acquisitions of Shares may be carried out for any purpose, as may be permitted under applicable laws and regulations, including, without limitation, to reduce the share capital of the Company, to offer such shares to third parties in the context of corporate mergers or acquisitions of other entities or participating interests therein, for distribution to the Company's or the Company's subsidiaries' directors, officers or employees or to meet obligations arising from convertible debt instruments.
8. The acquisitions of Shares may be carried out by any and all means, as may be permitted under applicable laws and regulations, including through any stock exchange in which the Shares or other securities representing Shares are traded, through public offers to all shareholders of the Company to buy Shares, through the use of derivative financial instruments or option strategies, or in over the counter or off-market transactions or in any other manner.
9. The acquisitions of Shares may be carried out at any time and from time to time during the duration of the authorization, including during a tender offer period, as may be permitted under applicable laws and regulations.
10. The authorization granted to acquire Shares shall be valid for such maximum period as may be provided for under applicable Luxembourg law as in effect from time to time (such maximum period being, as of to date, 18 months).
11. The acquisitions of Shares shall be made at such times and on such other terms and conditions as may be determined by the Board of Directors of the Company or the board of directors or other governing body of the relevant entity, provided that any such purchase shall comply with Article 49-2 *et seq.* of the Luxembourg Law of 10 August 1915 on commercial companies, as amended (or any successor law) and, in the case of acquisitions of Shares made through a stock exchange in which the Shares or other securities representing Shares are traded, with any applicable laws and regulations of such market.

It is recommended that the Annual General Meeting of Shareholders grant this authorization and further grant all powers to the Board of Directors and to the board of directors or other governing bodies of the Company's subsidiaries, in each case with powers to delegate in accordance with

applicable laws, the Company's Articles of Association or the articles of association or other applicable organizational documents of the relevant Company's subsidiary, to decide on and implement this authorization, to define, if necessary, the terms and procedures for carrying out any purchase of Shares, and, in particular, to place any stock exchange orders, conclude any agreements, including for keeping registers of purchases and sales of Shares, make any declarations to the applicable regulatory authorities, carry out all formalities and, generally, do all such other acts and things as may be necessary, appropriate or desirable for the purposes aforesaid. The Board of Directors is expressly authorized to delegate to its Chairman, with the latter having the option to sub-delegate to any other person(s), the performance of the actions entrusted to the Board of Directors, pursuant to, or in connection with, this authorization.

The Company anticipates that the next Annual General Meeting of Shareholders will be held on June 2, 2010. Any shareholder who intends to present a proposal to be considered at the next Annual General Meeting of Shareholders must submit the proposal in writing to the Company at the registered office of the Company, located at 46A, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, not later than 4:00 P.M. (local time) on February 19, 2010, in order for such proposal to be considered for inclusion on the agenda for the 2010 Annual General Meeting of Shareholders.

PricewaterhouseCoopers are the Company's independent auditors. A representative of the independent auditors will be present at the Meeting to respond to questions.

Raúl H. Darderes
Secretary to the Board of Directors