

Ternium S.A.
Form 6-K
March 30, 2015

FORM 6 - K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934**

As of 3/27/2015

Ternium S.A.

(Translation of Registrant's name into English)

**Ternium S.A.
29 Avenue de la Porte-Neuve**

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L-2227 Luxembourg

(352) 2668-3152

(Address of principal executive offices)

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

Not applicable

The attached material is being furnished to the Securities and Exchange Commission pursuant to Rule 13a-16 and Form 6-K under the Securities Exchange Act of 1934, as amended.

This report contains Ternium's notice of Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders, the Shareholder Meeting Brochure and Proxy Statement and Ternium's 2014 Annual Report.

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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.

TERNIUM S.A.

By: /s/ Arturo Sporleder

Name: Arturo Sporleder

Title: Secretary to the Board of Directors

Dated: March 27, 2015

SIGNATURE

Ternium S.A.
29, Avenue de
la Porte Neuve
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00 352 26 68 31
52 500 tel

00 352 26 68 31
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www.ternium.com

RCS
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98 668

March 27, 2015

Dear Ternium Shareholders and ADR holders,

I am pleased to invite you to attend the Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders (the “Meetings”) of TERNIUM S.A. (the “Company”), both to be held on Wednesday, May 6, 2015, at the Company’s registered office in 29, avenue de la Porte-Neuve, L-2227, Luxembourg. The Annual General Meeting of Shareholders will begin at 2:30 p.m., (Luxembourg time), and the Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders.

At the Annual General Meeting of Shareholders, you will hear a report on the Company’s business, financial condition and results of operations and will be able to vote on various matters, including the approval of the Company’s financial

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statements, the election of the members of the board of directors and the appointment of the independent auditors. Subsequently, the Extraordinary General Meeting will resolve on the renewal for a further five-year period and on their current terms and conditions of the authorized share capital of the Company and related authorizations and waivers.

The convening Notice and Agenda for both the Meetings (which contains the procedures for attending and/or voting at the Meetings), the Shareholder Meeting Brochure and Proxy Statement, the Company's 2014 annual report (which includes the Company's consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, together with the board of directors' and independent auditors' reports thereon, and the Company's annual accounts as at December 31, 2014, together with the independent auditor's report thereon) and the report of the Company's board of directors in connection with the proposed waiver of, suppression of, and authorization to suppress or limit, pre-emptive subscription rights of existing shareholders under law, will be available on our website at <http://www.ternium.com/en/ir-home> beginning on March 27, 2015. Copies of such documents will also be available, free of charge, to ADR holders and shareholders registered in the Company's share register at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 27, 2015. In addition, beginning on March 27, 2015, shareholders registered in the Company's share register may obtain, also free of charge, electronic copies of such documents by sending an e-mail request to the following electronic address: ir@ternium.com.

Even if you only own a few shares or ADRs, I hope that you will exercise your right to vote or instruct voting at both Meetings. If you are a holder of shares on May 1, 2015, you can attend and/or vote, personally or by proxy, at one or both Meetings. If you are a holder of ADRs, please see the letter from The Bank of New York Mellon, the depositary bank, or contact your broker/custodian, for instructions on how to give voting instructions in respect of the shares underlying your ADRs.

Please note the requirements you must satisfy to attend and/or vote your shares at the Meetings.

Yours sincerely,

Paolo Rocca

Chairman

SIGNATURE

Re: TERNIUM S.A.

To: Registered Holders of American Depositary Receipts (“ADRs”) for ordinary shares, USD 1.00 par value each (the “Shares”), of Ternium S.A. (the “Company”):

The Company has announced that its Annual General Meeting of Shareholders will be held on May 6, 2015 at 2:30 p.m. (Luxembourg time) and that an Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders. Both meetings (the “Meetings”) will take place at the Company’s registered office in Luxembourg, located at 29, avenue de la Porte-Neuve, L-2227, Luxembourg. **A copy of the Company’s Notice of Annual General Meeting of Shareholders and of an Extraordinary General Meeting of Shareholders, which includes the agenda for the Meetings, is available on the Company’s website at <http://www.ternium.com/en/ir-home>.**

The enclosed dedicated proxy form is provided to allow you to give voting instructions in respect of the Shares represented by your ADRs. The Notice of the Annual General Meeting of Shareholders and of an Extraordinary General Meeting of Shareholders, the Shareholder Meeting Brochure and Proxy Statement and the Company’s 2014 annual report (which includes the Company’s consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, together with the board of directors’ and the independent auditors’ reports thereon; and the Company’s annual accounts as at December 31, 2014, together with the independent auditors’ report thereon), are available on the Company’s website at <http://www.ternium.com/en/ir-home>. ADR holders may also obtain, free of charge, copies of such materials upon request at +1-800-555-2470 (toll free if you call from the United States) or at the Company’s registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m.(Luxembourg time).

Each holder of ADRs as of April 7, 2015, is entitled to instruct The Bank of New York Mellon, as Depositary (the “Depositary”), as to the exercise of the voting rights pertaining to the Shares represented by such holder’s ADRs. Any eligible holder of ADRs who desires to give voting instructions in respect of the Shares represented by such holder’s

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ADRs must complete, date and sign a proxy form and return it to The Bank of New York Mellon at Proxy Services, C/O Computershare, PO Box 43126, Providence, RI 02940-5138, **by 12:00 p.m., New York City time, on April 30, 2015**. If the Depositary receives properly completed and signed instructions by 12:00 p.m., New York City time, on April 30, 2015, 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 12:00 p.m., New York City time, on April 30, 2015, the Depositary receives no instructions from the holder of ADRs, or the instructions received by the Depositary 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 such Shares in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote such Shares 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 **12:00 p.m., New York City time, on April 30, 2015**. 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 7, 2015, until May 1, 2015**. However, holders of ADRs need not have their ADRs blocked for trading on the New York stock exchange.

IF YOU WANT YOUR VOTE TO BE COUNTED, THE DEPOSITARY MUST RECEIVE YOUR VOTING INSTRUCTIONS PRIOR TO 12:00 P.M. (NEW YORK CITY TIME) ON April 30, 2015.

THE BANK OF NEW YORK MELLON

Depositary

March 27, 2015

New York, New York

SIGNATURE

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Notice of the Annual General Meeting of Shareholders to be held in Luxembourg on May 6, 2015 at 2:30 p.m. (Luxembourg time) and of an Extraordinary General Meeting of Shareholders to be held immediately after the adjournment of the Annual General Meeting of Shareholders.

Notice is hereby given to shareholders of TERNIUM S.A. (the “Company”) that the Annual General Meeting of Shareholders of the Company will be held on May 6, 2015, at 2:30 p.m. (Luxembourg time) and an Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders. Both meetings (the “Meetings”) will be held at the Company’s registered office located at 29, Avenue de la Porte Neuve, L-2227 Luxembourg. At the Annual General Meeting of Shareholders, shareholders will vote on the items listed below under the heading “Agenda for the Annual General Meeting of Shareholders”. At the Extraordinary General Meeting of Shareholders, shareholders will vote on the items listed below under the heading “Agenda for the Extraordinary General Meeting of Shareholders”.

Agenda for the Annual General Meeting of Shareholders

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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, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012.
2. Consideration of the independent auditor's report on the Company's annual accounts. Approval of the Company's annual accounts as at December 31, 2014.
3. Allocation of results and approval of dividend payment for the year ended December 31, 2014.
4. Discharge of members of the Board of Directors for the exercise of their mandate during the year ended December 31, 2014.
5. Election of the members of the Board of Directors.
6. Authorization of the compensation of the members of the Board of Directors.
7. Appointment of the independent auditors for the fiscal year ending December 31, 2015 and approval of their fees.
8. Authorization to the Company, or any subsidiary, from time to time to purchase, acquire or receive securities of the Company, in accordance with Article 49-2 of the Luxembourg law of 10 August 1915 and with applicable laws and regulations.

9. 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.

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

Agenda for the Extraordinary General Meeting of Shareholders

1. Decision on the renewal of the authorized share capital of the Company and related authorizations and waivers by:
 - a. the renewal of the validity period of the Company's authorized share capital for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the *Mémorial* of the deed recording the minutes of such meeting;
 - b. the renewal of the authorization to the Board of Directors, or any delegate(s) duly appointed by the Board of Directors, for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the *Mémorial* of the deed recording the minutes of such meeting, from time to time to issue shares within the limits of the authorized share capital against contributions in cash, contributions in kind or by way of incorporation of available reserves at such times and on such terms and conditions, including the issue price, as the Board of Directors or its delegate(s) may in its or their discretion resolve;
 - c. the renewal of the authorization to the Board of Directors, for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the *Mémorial* of the deed recording the minutes of such meeting, to waive, suppress or limit any pre-emptive subscription rights of shareholders provided for by law to the extent it deems such waiver, suppression or limitation advisable for any issue or issues of shares within the authorized share capital; waiver of any pre-emptive subscription rights provided for by law and related procedures;
 - d. the decision that for as long as (but only for as long as) the shares of the Company are listed on a regulated market, any issuance of shares for cash within the limits of the authorized share capital shall be subject by provision of the Company's articles of association to the pre-emptive subscription rights of the then existing shareholders, except in the following cases (in which cases no pre-emptive rights shall apply):

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- i. any issuance of shares for, within, in conjunction with or related to, an initial public offering of the shares of the Company on one or more regulated markets (in one or more instances); and
 - ii. any issuance of shares against a contribution other than in cash; and
 - iii. any issuance of shares upon conversion of convertible bonds or other instruments convertible into shares of the Company; provided, however, that the pre-emptive subscription rights of the then existing shareholders shall apply by provision of the Company's articles of association in connection with any issuance of convertible bonds or other instruments convertible into shares of the Company for cash; and
 - iv. any issuance of shares (including by way of free shares or at discount), up to an amount of 1.5% of the issued share capital of the Company, to directors, officers,
-

agents, employees of the Company, its direct or indirect subsidiaries, or its Affiliates (as such term is defined in the Company's articles of association) (collectively, the "Beneficiaries"), including without limitation the direct issue of shares or upon the exercise of options, rights convertible into shares, or similar instruments convertible or exchangeable into shares issued for the purpose of compensation or incentive of the Beneficiaries or in relation thereto (which the Board of Directors shall be authorized to issue upon such terms and conditions as it deems fit).

e. the acknowledgement and approval of the report of the Board of Directors in relation with the authorized share capital and the proposed authorizations to the Board of Directors with respect to any issuance of shares within the authorized share capital while suppressing any pre-emptive subscription rights of existing shareholders under law and related waiver; and

f. the amendment of article 5 of the articles of association of the Company to reflect the resolutions on this item of the agenda.

Pursuant to the Company's articles of association, resolutions at the Annual General Meeting of Shareholders will be passed by a simple majority of the votes cast, irrespective of the number of shares present or represented.

The Extraordinary General Meeting of Shareholders may validly deliberate only when at least half of the share capital is present or represented. If the required quorum is not met at the Extraordinary General Meeting of Shareholders, a second meeting may be convened by means of notices published twice, at fifteen (15) days interval and with the second notice being published not later than fifteen (15) days before the day of the meeting, in the *Mémorial - Recueil des Sociétés et Associations* (Luxembourg Official Gazette) and two newspapers in Luxembourg. Such notices shall in addition be made in accordance with the publicity requirements of the regulated markets where the shares, or other securities representing shares, are listed. On second call, the Extraordinary General Meeting of Shareholders may validly deliberate regardless of the number of shares present or represented. Resolutions at the Extraordinary General Meeting of Shareholders shall be adopted by a two-thirds majority of the votes of the shares present or represented.

Procedures for attending and voting at one or both Meetings

Any shareholder registered in the Company's share register on May 1, 2015 (the "Record Date"), shall be admitted to the Meetings. Such shareholder may attend one or both Meetings in person or vote by proxy. To vote by proxy, such shareholder must file a completed proxy form with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company's registered office in Luxembourg, located at 29, avenue de la Porte-Neuve, L-2227, Luxembourg.

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Any shareholder holding shares through fungible securities accounts wishing to attend one or both Meetings in person must present a certificate issued by the financial institution or professional depository holding such shares, evidencing deposit of the shares and certifying the number of shares recorded in the relevant account as of the Record Date. Certificates certifying the number of shares recorded in the relevant account as of a date other than the Record Date will not be accepted and such shareholder will not be admitted to the Meetings. Certificates must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015 at the Company's registered office in Luxembourg.

Shareholders holding their shares through fungible securities accounts may also vote by proxy. To do so, they must present the above referred certificate, together with a completed proxy form. Such certificate and proxy form must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company's registered office in Luxembourg.

Shareholders who wish to be represented and vote by proxy at one or both Meetings may obtain, free of charge, a proxy form at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 27, 2015. In addition, beginning on March 27, 2015, shareholders may obtain, also free of charge, an electronic copy of such proxy form by sending an e-mail request to the following electronic address: ir@ternium.com. All proxy forms must be received by the Company, properly completed and signed, at the Company's registered office in Luxembourg not later than 5:00 p.m. (Luxembourg time) on May 4, 2014.

In the event of shares owned by a corporation or any other legal entity, individuals representing such entity who wish to attend one or both Meetings in person and vote at one or both Meetings on behalf of such entity, must present evidence of their authority to represent the shareholder at the respective Meeting by means of a proper document (such as a general or special power-of-attorney) issued by the relevant entity. A copy of such power of attorney or other proper document must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company's registered office in Luxembourg. The original documentation evidencing the authority to attend, and vote at one or both Meetings, or a notarized and legalized copy thereof, must be presented at the respective Meeting.

Shareholders and proxy holders attending one or both Meetings in person will be required to identify themselves at the respective Meeting with a valid official identification document (e.g., identity card, passport).

Those shareholders who have sold their shares between the Record Date and the date of the Meetings may not attend nor be represented at any of the Meetings. In case of breach of such prohibition, criminal sanctions may apply.

Holders of American Depositary Receipts (the "ADRs") as of April 7, 2015, are entitled to instruct The Bank of New York Mellon, as Depositary, as to the exercise of the voting rights pertaining to the Company's 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 at Proxy Services, C/O Computershare, PO Box 43126, Providence, RI 02940-5138, by **12:00 p.m., New York City time, on April 30, 2015**. Holders of ADRs maintaining non-certificated positions must follow voting instructions given by their broker or custodian bank, which may provide for earlier deadlines for submitting voting instructions.

Copies of the Shareholder Meeting Brochure and Proxy Statement, the Company's 2014 annual report (which includes the Company's consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, together with the board of directors' and independent auditors' reports thereon, and the Company's annual accounts as at December 31, 2014, together with the independent auditor's report thereon), and the report of the Company's board of directors in connection with the proposed waiver of, suppression of, and authorization to suppress or limit, pre-emptive subscription rights by the existing shareholders, are available on our website at <http://www.ternium.com/en/ir-home> beginning on March 27, 2015. Copies of such documents are also available, free of charge, to ADR holders and shareholders registered in the Company's share register at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 27, 2015. In addition, beginning on March 27, 2015, shareholders registered in the Company's share register may obtain, also free of charge, electronic copies of such documents by sending an e-mail request to the following electronic address: ir@ternium.com.

Arturo Sporleder

Secretary to the Board of Directors

March 27, 2015

Luxembourg

Shareholder Meeting Brochure
and Proxy Statement

Ternium S.A.

29, Avenue de la Porte Neuve

L-2227 Luxembourg

Grand Duché de Luxembourg

RCS Luxembourg B 98 668

Ternium

Shareholder Meeting Brochure and Proxy Statement

Annual General Meeting of Shareholders to be held in Luxembourg on May 6, 2015 at 2:30 p.m. (Luxembourg time) and Extraordinary General Meeting of Shareholders to be held immediately after the adjournment of the Annual General Meeting of Shareholders.

This Shareholder Meeting Brochure and Proxy Statement is furnished by TERNIUM S.A. (the “Company”) in connection with the Annual General Meeting of Shareholders of the Company and an Extraordinary General Meeting of Shareholders of the Company (the “Meetings”) both to be held on May 6, 2015, at the Company’s registered office located at 29, avenue de la Porte-Neuve, L-2227 Luxembourg, for the purposes set forth in the convening Notice of the Meetings (the “Notice”). The Annual General Meeting of Shareholders will begin at 2:30 p.m. (Luxembourg time) and the Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders.

As of the date hereof, there are 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). A subsidiary of the Company currently holds 41,666,666 Shares.

Each Share entitles the holder thereof to one vote at general meeting of shareholders of the Company. However, voting rights on the 41,666,666 Shares held by the Company’s subsidiary shall be suspended for so long as such Shares are so held.

Any shareholder registered in the Company’s share register on May 1, 2015 (the “Record Date”), shall be admitted to the Meetings. Such shareholder may attend one or both Meetings in person or vote by proxy. To vote by proxy, such shareholder must file a completed proxy form with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company’s registered office in Luxembourg, located at 29, avenue de la Porte-Neuve, L-2227 Luxembourg.

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Any shareholder holding shares through fungible securities accounts wishing to attend one or both Meetings in person must present a certificate issued by the financial institution or professional depository holding such shares, evidencing deposit of the shares and certifying the number of shares recorded in the relevant account as of the Record Date. Certificates attesting the number of shares recorded in the relevant account as of a date other than the Record Date will not be accepted and such shareholders will not be admitted to the Meetings. Certificates must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company's registered office in Luxembourg.

Shareholders holding their shares through fungible securities accounts may also vote by proxy. To do so, they must present the above referred certificate, together with a completed proxy form. Such certificate and proxy form must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company's registered office in Luxembourg.

Shareholders who wish to be represented and vote by proxy at one or both Meetings may obtain, free of charge, a proxy form at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 27, 2015. In addition, beginning on March 27, 2015, shareholders may obtain, also free of charge, an electronic copy of such proxy form free of charge by sending an e-mail request to the following electronic address: ir@ternium.com. All proxy forms must be received by the Company, properly completed and signed, at the Company's registered office in Luxembourg not later than 5:00 p.m. (Luxembourg time) on May 4, 2015.

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In the event of shares owned by a corporation or any other legal entity, individuals representing such entity who wish to attend one or both Meetings in person and vote at one or both Meetings on behalf of such entity, must present evidence of their authority to represent the shareholder at the respective Meeting by means of a proper document (such as a general or special power-of-attorney) issued by the relevant entity. A copy of such power of attorney or other proper document must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on May 4, 2015, at the Company's registered office in Luxembourg. The original documentation evidencing the authority to attend, and vote, at one or both Meetings, or a notarized and legalized copy thereof, must be presented at the respective Meeting.

Shareholders and their proxies attending one or both Meetings in person will be required to identify themselves at the respective Meeting with a valid official identification document (e.g., identity card, passport).

Those shareholders who have sold their shares between the Record Date and the date of the Meetings may not attend nor be represented at any of the Meetings. In case of breach of such prohibition, criminal sanctions may apply.

Each holder of ADRs as of April 7, 2015, is entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the Shares represented by such holder's ADRs. Any eligible holder of ADRs who desires to give voting instructions in respect of the Shares represented by such holder's ADRs must complete, date and sign a proxy form and return it to The Bank of New York at Proxy Services, C/O Computershare, PO Box 43126, Providence, RU 02940-5138, by **12:00 p.m., New York City time, on April 30, 2015**. If the Depositary receives properly completed instructions by **12:00 p.m., New York City time, on April 30, 2015**, 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 **12:00 p.m., New York City time, on April 30, 2015**, 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 such Shares in favor of any proposals or recommendations of the Company (including any recommendation by the Company to vote such Shares 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 **12:00 p.m., New York City time, on April 30, 2015**. No instructions, revocations or revisions thereof will be accepted by the Depositary after that time.

SIGNATURE

In order to avoid the possibility of double vote, the Company's ADR books will be closed for cancellations from April 7, 2015 until May 1, 2015. However, holders of ADRs will not have their ADRs blocked for trading on the New York stock exchange.

Holders of ADRs maintaining non-certificated positions must follow voting instructions outlined by their broker or custodian bank, which may provide for earlier deadlines for submitting voting instructions than that indicated above.

Ternium

The Meetings will appoint a chairperson *pro tempore* to preside over the Meetings. The chairperson *pro tempore* will have broad authority to conduct the Meetings in an orderly and timely manner and to establish rules, (including rules for shareholders (or proxy holders) to speak and ask questions at the Meetings); 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 agendas.

Pursuant to the Company's articles of association and Luxembourg law, resolutions at the Annual General Meeting of Shareholders will be passed by a simple majority of the votes cast, irrespective of the number of Shares present or represented. The Extraordinary General Meeting of Shareholders may validly deliberate only when at least half of the share capital is present or represented. If the required quorum is not met at the Extraordinary General Meeting of Shareholders, a second meeting may be convened by means of notices published twice, at fifteen (15) days interval and with the second notice being published not later than fifteen (15) days before the day of the meeting, in the *Mémorial - Recueil des Sociétés et Associations* (Luxembourg Official Gazette) and two newspapers in Luxembourg. Such notices shall in addition be made in accordance with the publicity requirements of the regulated markets where the Shares, or other securities representing Shares, are listed. On second call, the Extraordinary General Meeting of Shareholders may validly deliberate regardless of the number of shares present or represented. Resolutions at the Extraordinary General Meeting of Shareholders shall be adopted with a two-thirds majority of the votes of the shares present or represented.

The **Annual General Meeting of Shareholders** 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, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012

The Company's consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 (comprising 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) and the reports from the Company's Board of Directors (the "Board of Directors") and the Company's independent auditor on such consolidated financial statements are included in the Company's 2014 annual report, a copy of which is available on the Company's website at <http://www.ternium.com/en/ir-home> beginning on March 27, 2015. Copies of the Company's 2014 annual report are also available to ADR holders and shareholders registered in the Company's share register, free of charge, at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 27, 2015. In addition, beginning on March 27, 2015, shareholders registered in the Company's share register may obtain, also free of charge, an electronic copy of the Company's 2014 annual report by sending an e-mail request to the following electronic address: ir@ternium.com.

Draft resolution proposed to be adopted: “to approve the Company’s consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012.”

2. Consideration of the independent auditor’s report on the Company’s annual accounts. Approval of the Company’s annual accounts as at December 31, 2014

The Company’s annual accounts as at December 31, 2014 (comprising the balance sheet, the profit and loss account and the notes to such annual accounts) and the report from the Company’s independent auditor on such annual accounts are included in the Company’s 2014 annual report, a copy of which is available on our website at <http://www.ternium.com/en/ir-home> beginning on March 27, 2015. Copies of the Company’s 2014 annual report are also available to ADR holders and shareholders registered in the Company’s share register, free of charge, at the Company’s registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 27, 2015. In addition, beginning on March 27, 2015, shareholders registered in the Company’s share register may obtain, also free of charge, an electronic copy of the Company’s 2014 annual report by sending an e-mail request to the following electronic address: ir@ternium.com.

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Draft resolution proposed to be adopted: “to approve the Company’s annual accounts as at December 31, 2014.”

3. Allocation of results and approval of dividend payment for the year ended December 31, 2014

In accordance with applicable Luxembourg law and the Company’s articles of association, the Company is required to allocate 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed capital. However, the Company’s annual accounts as at December 31, 2014 show a loss and therefore there will be no allocation of results. In addition, no allocation is needed as the Company’s legal reserve already amounts to 10% of its subscribed capital.

The Board of Directors proposes that a dividend payable in U.S. dollars on May 15, 2015, in the amount of USD 0.09 per Share (or USD 0.9 per ADR), which represents an aggregate sum of approximately USD 177 million, be approved and that the Board of Directors be authorized to determine or amend, in its discretion, the terms and conditions of the dividend payment, including the applicable record date. Accordingly, if this dividend proposal is approved, the Company will make, or cause to be made, a dividend payment on May 15, 2015, in the amount of USD 0.09 per Share (or USD 0.9 per ADR).

While the Company’s annual accounts as at December 31, 2014 show a loss for 2014 of USD 289,975,159, the Company’s consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 show net income for 2014 of USD 588,785,000. Considering the Company’s retained earnings and other distributable reserves, the Company has distributable amounts which exceed the proposed dividend.

The aggregate amount of USD 176,676,909.84 to be distributed as dividend on May 15, 2015, is to be paid from the Company’s retained earnings reserve. The loss of the year ended December 31, 2014, would be absorbed by the Company’s retained earnings account.

Upon approval of this resolution, it is proposed that the Board of Directors be authorized to determine or amend, in its discretion, any of the terms and conditions (including payment date) of the dividend payment.

Draft resolution proposed to be adopted: “(i) to approve a dividend, payable in U.S. dollars, on May 15, 2015, in the amount of USD 0.09 per share issued and outstanding (or USD 0.9 per ADR), (ii) to authorize the Board of Directors to determine or amend, in its discretion, any of the terms and conditions of such dividend payment, including the applicable record date, (iii) that the aggregate amount of USD 176,676,909.84 to be distributed as dividend on May 15, 2015, be paid from the Company’s retained earnings reserve, and (iv) that the loss of the year ended December

31, 2014, be absorbed by the Company's retained earnings account."

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4. Discharge of members of the Board of Directors for the exercise of their mandate during the year ended December 31, 2014

In accordance with applicable Luxembourg law and regulations, it is proposed that, upon approval of the Company's annual accounts as at December 31, 2014, all who were members of the Board of Directors during the year ended December 31, 2014, be discharged from any liability in connection with the management of the Company's affairs during such year.

Draft resolution proposed to be adopted: "to discharge all those who were members of the Board of Directors during the year ended December 31, 2014, 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

Pursuant to article 7 of the Company's articles of association, the annual general meeting must elect a Board of Directors of not less than five and not more than fifteen members, who shall have a term of office of one year, but may be reappointed.

Pursuant to article 11 of the Company's articles of association and applicable securities laws and regulations, the Company must have an audit committee (the "Audit Committee") composed of three members who shall qualify as "independent directors".

The current Board of Directors consists of nine Directors, three of whom (Messrs. Ubaldo Aguirre, Adrian Lajous and Pedro Pablo Kuczynski) qualify as "independent directors" under the Company's articles of association and applicable law, and are members of the Audit Committee.

It is proposed that (i) the number of members of the Board of Directors be reduce to eight, and that (ii) Messrs. Ubaldo Aguirre, Roberto Bonatti, Carlos Alberto Condorelli, Pedro Pablo Kuczynski, Adrian Lajous, Gianfelice Mario Rocca, Paolo Rocca and Daniel Agustin Novegil be re-elected as members of the Board of Directors, each to hold office until the next annual general meeting of shareholders that will be convened to decide on the Company's 2015 annual accounts.

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

1) **Mr. Ubaldo José Aguirre.** Mr. Aguirre has served on the Board since 2006. He is a managing director of Aguirre y Gonzalez S.A., an Argentine financial services firm, and also serves as chairman of the board of directors and

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member of the audit committee of Holcim Argentina 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., an Argentine winery, and of Editorial Sur S.A. Since 2000, he is a member of the board of directors of URS Argentina S.A., the Argentine subsidiary of the U.S. corporation. He is a member of the Administrative Board of Universidad Catolica Argentina. Mr. Aguirre formerly served as director and chairman of the audit committee of Siderar S.A.I.C. 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 66, is an Argentine citizen.

2) **Mr. Roberto Bonatti.** Mr. Bonatti has served as a director since 2005. Mr. Bonatti is the grandson of Agustín Rocca, founder of the Techint Group, and has been involved in businesses of the companies controlled by San Faustin, specifically in the engineering and construction and corporate sectors, throughout his career. 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 Sadma Uruguay S.A. and is member of the Board of Directors of Tenaris S.A. Mr. Bonatti, aged 65, is an Italian citizen.

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3) **Mr. Carlos Alberto Condorelli.** Mr. Condorelli has served as a director since 2005. He is also a Board member of Tenaris, a position that he assumed on June 2007. Mr. Condorelli began his career within the Techint Group in 1975, as an analyst in the accounting and administration department of Siderar. Mr. Condorelli has held several positions within Tenaris and other Techint Group companies, including finance and administrative director of Tamsa and president of the board of directors of Empresa Distribuidora La Plata S.A., or Edelap, an Argentine utilities company. Mr. Condorelli, aged 64, is an Argentine citizen.

4) **Mr. Pedro Pablo Kuczynski.** Mr. Kuczynski has served as a member of the Board 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 76, is a U.S. and Peruvian national.

5) **Mr. Adrian Lajous.** Mr. Lajous has served as a director of the Company since 2006. Mr. Lajous currently serves as chairman of the Oxford Institute for Energy Studies, a fellow in the Center for Global Energy Policy at Columbia University, president of Petrométrica, S.C. and a non-executive director of 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 Petróleos Mexicanos ("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. Additionally he served as non-executive director of Schlumberger, Ltd. from 2002 up to 2014. Mr. Lajous, aged 71, is a Mexican citizen.

6) **Mr. Gianfelice Mario Rocca.** Mr. Rocca has served as a director of the Company since 2006. 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 Tenova S.p.A. In June 2013 he was elected President of Assolombarda, the largest territorial association of entrepreneurs in Italy and part of Confindustria (Italian employers' organization). In addition, he is member of the EIT Governing Board (European Institute of Innovation and Technology) and sits on the board of directors or executive committees of several companies, including Allianz S.p.A, Brembo and Buzzi Unicem. He is a member of the Advisory Board of Allianz Group, of the Aspen Institute Executive Committee, of the Trilateral Commission and of the European Advisory Board of the Harvard Business School. Mr. Rocca, aged 67, is an Italian citizen.

7) **Mr. Paolo Rocca.** Mr. Rocca has served as our chairman since 2005. He is also chairman and chief executive officer of Tenaris S.A., director and vice president of San Faustin S.A. and director of Techint Financial Corporation. In addition, Mr. Rocca currently serves as the chairman of Tubos de Aceros de México S.A. (“Tamsa”). Mr. Rocca, aged 62, is an Italian citizen.

8) **Mr. Daniel Agustin Novegil.** Mr. Novegil has served as a director and chief executive officer of the Company since 2005. He has more than 35 years of experience in the steelmaking industry. Mr. Novegil is the managing director of Siderar since 1993 and a member of Usiminas’ Board of Directors since 2013. He is also member of the Board of Directors of the World Steel Association and former President of the Latin American Steel Association. He obtained a M.S. in Management from Stanford University in 1984 and, since 1999, he is a member of the Advisory Board of the Sloan Master’s Program of the Stanford Graduate School of Business. Mr. Novegil, aged 62, is an Argentine citizen.

The Board met six times during 2014. On January 12, 2006, the Board of Directors created an Audit Committee pursuant to Article 11 of the Company’s articles of association. 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.

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Draft resolution proposed to be adopted: “to reduce the number of members of the Board of Directors to eight and to re-appoint Messrs. Ubaldo Aguirre, Roberto Bonatti, Carlos Alberto Condorelli, Pedro Pablo Kuczynski, Adrian Lajous, Gianfelice Mario Rocca, Paolo Rocca and Daniel Agustin Novogil to the Board of Directors, each to hold office until the next annual general meeting of shareholders that will be convened to decide on the 2015 accounts.”

6. Authorization of the compensation of the members of the Board of Directors

It is proposed that each member of the Board of Directors receives an amount of USD 85,000.00 as compensation for his services during the fiscal year 2015, and that the Chairman of the Board of Directors receives, further, an additional fee of USD 295,000.00. 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 55,000.00, and that the Chairman of such Audit Committee receives, further, an additional fee of USD 10,000.00. In all cases, the proposed compensation would be net of any applicable Luxembourg social security charges.

Draft resolution proposed to be adopted: “that each of the members of the Board of Directors receives an amount of USD 85,000.00 as compensation for his services during the fiscal year 2015, and that the Chairman of the Board of Directors receives, further, an additional fee of USD 295,000.00; and that each of the members of the Board of Directors who are members of the Audit Committee receive an additional fee of USD 55,000.00, and that the Chairman of such Audit Committee receives, further, an additional fee of USD 10,000.00. In all cases, the approved compensation will be net of any applicable Luxembourg social security charges.”

7. Appointment of the independent auditors for the fiscal year ending December 31, 2015 and approval of their fees

The Audit Committee has recommended the appointment of PricewaterhouseCoopers, Société coopérative, *Cabinet de révision agréé* (PricewaterhouseCoopers’ Luxembourg member firm) as the Company’s independent auditors for the fiscal year ending December 31, 2015, to be engaged until the next annual general meeting of shareholders that will be convened to decide on the Company’s 2015 accounts.

In addition, the Audit Committee has recommended the approval of the independent auditors’ fees for audit, audit-related and other services to be rendered during the fiscal year ending December 31, 2015, broken-down into eight currencies (Argentine Pesos, Brazilian Reals, Colombian Pesos, Euro, Mexican Pesos, Swiss Francs, Uruguayan Pesos, and U.S. Dollars), up to a maximum amount for each currency equal to ARS 15,769,259.00; BRL 22,476.00; COP 243,174,993.00; EUR 582,666.00; MXN 12,582,031.00; CHF 27,500.00; UYU 2,645,081.00 and USD 162,400.00. 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. It is proposed that the Audit Committee be authorized to approve any increase or reallocation of the independent auditors’ fees as may be necessary,

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appropriate or desirable under the circumstances.

Draft resolution proposed to be adopted: “to (i) appoint PricewaterhouseCoopers Société coopérative, Cabinet de révision agréé, as the Company’s independent auditors for the fiscal year ending December 31, 2015, to be engaged until the next annual general meeting of shareholders that will be convened to decide on the Company’s 2015 accounts; and (ii) approve the independent auditors’ fees for audit, audit-related and other services to be rendered during the fiscal year ending December 31, 2015, broken-down into eight currencies (Argentine Pesos, Brazilian Reais, Colombian Pesos, Euro, Mexican Pesos, Swiss Francs, Uruguayan Pesos, and U.S. Dollars), up to a maximum amount for each currency equal to ARS 15,769,259.00; BRL 22,476.00; COP 243,174,993.00; EUR 582,666.00; MXN 12,582,031.00; CHF 27,500.00; UYU 2,645,081.00 and USD 162,400.00., and to authorize the Audit Committee to approve any increase or reallocation of the independent auditors’ fees as may be necessary, appropriate or desirable under the circumstances.”

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8. Authorization to the Company, or any subsidiary, from time to time to purchase, acquire or receive securities of the Company, in accordance with Article 49-2 of the Luxembourg law of 10 August 1915 and with applicable laws and regulations.

The Commercial Companies Law provides that any Luxembourg commercial company may acquire its own shares, either directly or through a person acting on the company's behalf, subject to, among other conditions, prior authorization granted by the general meeting of shareholders of such company, which shall approve the terms and conditions of the proposed acquisitions, including the maximum number of shares to be acquired, the duration of the period for which the authorization is given (such maximum period being, as of to date, 5 years) and, in case of acquisitions for value, the maximum and minimum consideration.

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It is proposed that the Annual General Meeting of Shareholders renew the authorization to the Company and to the Company's subsidiaries to acquire, from time to time, Shares, including Shares represented by ADRs (collectively, "Securities"), granted by the Annual General Meeting of Shareholders held on June 3, 2010, on the following terms and conditions:

1. The maximum number of Securities acquired pursuant to this authorization may not exceed 10% of the Company's issued and outstanding shares or, in the case of acquisitions made through a stock exchange in which the Securities are traded, such lower amount as may not be exceeded pursuant to any applicable laws or regulations of such market. The number of Securities acquired as a block may amount to the maximum permitted amount of purchases.

2. The purchases, acquisitions or receptions of Securities 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.

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 Company's 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 Securities other than in the form of ADRs, the maximum and minimum per Security 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. Compliance with maximum and minimum purchase price requirements in any and all acquisitions made pursuant to this authorization (including, without limitation, acquisitions carried out through the use of derivative financial instruments or option strategies) shall be determined on and as of the date on which the relevant transaction is entered into, irrespective of the date on which the transaction is to be settled.

4. The above maximum and minimum purchase prices shall, in the event of a change in the par value of the Securities, a capital increase by means of a capitalization of reserves, a distribution of Securities 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 Securities shall be reflected.

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5. The acquisitions of Securities 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 Securities may be acquired pursuant to this authorization.

7. The acquisitions of Securities 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 Securities 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 Securities 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 Securities are traded, through public offers to all shareholders of the Company to buy Securities, 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 Securities 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 Securities 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, five years).

11. The acquisitions of Securities 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 Company subsidiary, provided that any such purchase shall comply with Article 49-2 et.seq. of the Commercial Companies Law and, in the case of acquisitions of Securities made through a stock exchange in which such Securities are traded, with any applicable laws and regulations of such market.

It is also 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 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, acquisition or reception of Securities, and, in particular, to place any stock exchange orders, conclude any agreements, including, without limitation, for keeping registers of purchases and sales of Securities, 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. It is further recommended that the Board of Directors be 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.

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Draft resolution proposed to be adopted: to (i) renew the authorization to the Company and to the Company's subsidiaries to purchase, acquire or receive, from time to time, shares, including shares represented by ADRs ("Securities"), on the terms and conditions set forth above; (ii) 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 Articles 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, acquisition or reception of Securities, and, in particular, to place any stock exchange orders, conclude any agreements, including, without limitation, for keeping registers of purchases and sales of Securities, 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; and (iii) authorize the Board of Directors 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.

9. 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 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.

Draft resolution proposed to be adopted: “to authorize the Board of Directors 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.”

10. 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 to appoint any or all members of the Board of Directors 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 of Directors may deem appropriate in connection therewith, this authorization to be valid until expressly revoked by the Company's general meeting of shareholders, it being understood, for the avoidance of doubt, that this authorization does not impair nor limit in any way the powers of the Board of Directors 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 Company's articles of association.

Draft resolution proposed to be adopted: “to authorize the Board of Directors to appoint any or all members of the Board of Directors 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 of Directors may deem appropriate in connection therewith, this authorization to be valid until expressly revoked by the Company's general meeting of shareholders; it being understood, for the avoidance of doubt, that this authorization does not impair nor limit in any way the powers of the Board of Directors 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 Company's articles of association.”

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The **Extraordinary General Meeting of Shareholders** is called to address and vote on the following agenda:

1. Decision on the renewal of the authorized share capital of the Company and related authorizations and waivers by:

a. the renewal of the validity period of the Company's authorized share capital for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the Mémorial of the deed recording the minutes of such meeting;

b. the renewal of the authorization to the Board of Directors, or any delegate(s) duly appointed by the Board of Directors, for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the Mémorial of the deed recording the minutes of such meeting, from time to time to issue shares within the limits of the authorized share capital against contributions in cash, contributions in kind or by way of incorporation of available reserves at such times and on such terms and conditions, including the issue price, as the Board of Directors or its delegate(s) may in its or their discretion resolve;

c. the renewal of the authorization to the Board of Directors, for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the Mémorial of the deed recording the minutes of such meeting, to waive, suppress or limit any pre-emptive subscription rights of shareholders provided for by law to the extent it deems such waiver, suppression or limitation advisable for any issue or issues of shares within the authorized share capital; waiver of any pre-emptive subscription rights provided for by law and related procedures;

d. the decision that for as long as (but only for as long as) the shares of the Company are listed on a regulated market, any issuance of shares for cash within the limits of the authorized share capital shall be subject by provision of the Company's articles of association to the pre-emptive subscription rights of the then existing shareholders, except in the following cases (in which cases no pre-emptive rights shall apply):

i. any issuance of shares for, within, in conjunction with or related to, an initial public offering of the shares of the Company on one or more regulated markets (in one or more instances); and

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- ii. **any issuance of shares against a contribution other than in cash; and**

iii. any issuance of shares upon conversion of convertible bonds or other instruments convertible into shares of the Company; provided, however, that the pre-emptive subscription rights of the then existing shareholders shall apply by provision of the Company's articles of association in connection with any issuance of convertible bonds or other instruments convertible into shares of the Company for cash; and

iv. any issuance of shares (including by way of free shares or at discount), up to an amount of 1.5% of the issued share capital of the Company, to directors, officers, agents, employees of the Company, its direct or indirect subsidiaries, or its Affiliates (as such term is defined in the Company's articles of association) (collectively, the "Beneficiaries"), including without limitation the direct issue of shares or upon the exercise of options, rights convertible into shares, or similar instruments convertible or exchangeable into shares issued for the purpose of compensation or incentive of the Beneficiaries or in relation thereto (which the Board of Directors shall be authorized to issue upon such terms and conditions as it deems fit).

e. the acknowledgement and approval of the report of the Board of Directors in relation with the authorized share capital and the proposed authorizations to the Board of Directors with respect to any issuance of shares within the authorized share capital while suppressing any pre-emptive subscription rights of existing shareholders under law and related waiver; and

f. **the amendment of article 5 of the articles of association of the Company to reflect the resolutions on this item of the agenda.**

Pursuant to the Company's articles of association, the Board of Directors is authorized for a period of five years to issue shares within the limits of the authorized share capital without shareholder approval, and any such issuances of shares may be made without reserving preferential subscription rights of existing shareholders by law in certain cases (i.e., shares issued for consideration other than cash, shares issued as compensation to directors, officers, agents, or employees of the Company, its subsidiaries or affiliates, and shares issued to satisfy conversion or option rights created to provide compensation to directors, officers, agents or employees of the Company, its subsidiaries or affiliates).

It is proposed that Extraordinary General Meeting of Shareholders renew the authorization granted by the Extraordinary General Meeting of Shareholders held on June 2, 2010, to issue shares within the limits of the authorized share capital without shareholder approval for an additional five-year period on the same terms and conditions and grant the related authorizations and waivers as set forth in the agenda.

The Board of Directors is of the opinion that the successful implementation and development of the Company and its group's long term strategy will depend, among other factors, on the Company's ability to grow through acquisitions or other investments on the best possible terms, and that the existence of the preferential subscription rights provided for by Luxembourg law for the benefit of existing shareholders will seriously reduce the flexibility of the Company to finance its operations and potential growth through issuances of shares; in addition, the preferential subscription rights procedure contemplated by Luxembourg law would, in some cases, risk delaying increases in share capital and issuances of new shares at times when timing may be of the essence.

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Accordingly, the Board of Directors believes it to be in the Company's best interest that the Board of Directors be authorized to negotiate and conclude acquisitions, investments, joint ventures and other transactions using shares or rights to shares of the Company's capital as consideration. Similarly, the Board of Directors believes that the interest of the Company requires that maximum flexibility be granted so that the Company be able to react quickly and without delay to any suitable acquisition, investment, joint venture or other strategic proposals or projects and/or to secure financing in connection thereto by issuing or offering to issue shares within the limits of the proposed authorization.

The Board of Directors also believes that the interest of the Company requires that the Board of Directors be authorized to issue such shares or rights thereto either at or below market price, and including by way of incorporation of reserves, as it may be necessary or convenient in light of the facts and circumstances of the transaction in question or its strategic significance.

The Board of Directors further believes that, for the Company and its group to maximize its ability to attract and retain valuable directors, managers, officers, agent or employees, it is its best interest that the Company retain the flexibility to offer to such persons shares or conversion, option or similar plans or incentive programs permitting the subscription of shares in the Company either at or below market price. Such plans and programs, by serving the purpose of facilitating the recruitment or retention of key employees and executives, would enable the Company and its group to secure business opportunities, further strengthen and develop its market position and continue the implementation of the Company's long term strategy.

Accordingly, the Board of Directors believes that issuances of shares as compensation to, or to satisfy conversion or option rights created to provide compensation to directors, officers, agents or employees of the Company, its subsidiaries or its affiliated companies should be made by the Board of Directors upon such terms and conditions as it deems fit and without reserving pre-emptive subscription rights to existing shareholders; provided, however, that any such issuances shall be limited to 1.5% of the Company's issued share capital from time to time.

The Company anticipates that the next Annual General Meeting of Shareholders will be held on May 4, 2016. 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 Company's registered office located at 29, avenue de la Porte-Neuve, L-2227 Luxembourg, Grand Duchy of Luxembourg, not later than 4:00 P.M. (Luxembourg time) on

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February 1, 2016, in order for such proposal to be considered for inclusion on the agenda for the 2016 Annual General Meeting of Shareholders. PricewaterhouseCoopers, *société coopérative, Cabinet de révision agréé*, are the Company's independent auditors. A representative of the independent auditors will be present at the Meetings.

Arturo Sporleder

Secretary to the Board of Directors

March 27, 2015

Ternium

Luxembourg

Report by the Board of Directors with respect to the proposed waiver of, suppression of, and authorization to suppress or limit, pre-emptive subscription rights by the existing shareholders of Ternium S.A. (the “Company”)

Dear Shareholders,

At the extraordinary general meeting of shareholders of the Company to be held on May 6, 2015 immediately after the adjournment of the Annual General Meeting of Shareholders, the shareholders will be asked to resolve, among other things, on the following agenda item:

1. Decision on the renewal of the authorized share capital of the Company and related authorizations and waivers by:
 - a. the renewal of the validity period of the Company’s authorized share capital for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the Mémorial of the deed recording the minutes of such meeting;
 - b. the renewal of the authorization to the Board of Directors, or any delegate(s) duly appointed by the Board of Directors, for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the Mémorial of the deed recording the minutes of such meeting, from time to time to issue shares within the limits of the authorized share capital against contributions in cash,

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contributions in kind or by way of incorporation of available reserves at such times and on such terms and conditions, including the issue price, as the Board of Directors or its delegate(s) may in its or their discretion resolve;

c. the renewal of the authorization to the Board of Directors, for a period starting on the date of the Extraordinary General Meeting of Shareholders and ending on the fifth anniversary of the date of the publication in the Mémorial of the deed recording the minutes of such meeting, to waive, suppress or limit any pre-emptive subscription rights of shareholders provided for by law to the extent it deems such waiver, suppression or limitation advisable for any issue or issues of shares within the authorized share capital; waiver of any pre-emptive subscription rights provided for by law and related procedures;

d. the decision that for as long as (but only for as long as) the shares of the Company are listed on a regulated market, any issuance of shares for cash within the limits of the authorized share capital shall be subject by provision of the Company's articles of association to the pre-emptive subscription rights of the then existing shareholders, except in the following cases (in which cases no pre-emptive rights shall apply):

i. any issuance of shares for, within, in conjunction with or related to, an initial public offering of the shares of the Company on one or more regulated markets (in one or more instances); and

ii. any issuance of shares against a contribution other than in cash; and

iii. any issuance of shares upon conversion of convertible bonds or other instruments convertible into shares of the Company; provided, however, that the pre-emptive subscription rights of the then existing shareholders shall apply by provision of the Company's articles of association in connection with any issuance of convertible bonds or other instruments convertible into shares of the Company for cash; and

iv. any issuance of shares (including by way of free shares or at discount), up to an amount of 1.5% of the issued share capital of the Company, to directors, officers, agents, employees of the Company, its direct or indirect subsidiaries, or its Affiliates (as such term is defined in the Company's articles of association) (collectively, the "Beneficiaries"), including without limitation the direct issue of shares or upon the exercise of options, rights convertible into shares, or similar instruments convertible or exchangeable into shares issued for the purpose of compensation or incentive of the Beneficiaries or in relation thereto (which the Board of Directors shall be authorized to issue upon such terms and conditions as it deems fit).

e. the acknowledgement and approval of the report of the Board of Directors in relation with the authorized share capital and the proposed authorizations to the Board of Directors with respect to any issuance of shares within the authorized share capital while suppressing any pre-emptive subscription rights of existing shareholders under law and related waiver; and

f. the amendment of article 5 of articles of association of the Company to reflect the resolutions on this item of the agenda.

The Board of Directors recommends a vote FOR the approval of the renewal of the authorized share capital of the Company and the related authorizations and waivers on the terms set forth in the above agenda.

The Board of Directors is of the opinion that the successful implementation and development of the Company and its group's long term strategy will depend, among other factors, on the Company's ability to grow through acquisitions or other investments on the best possible terms, and that the existence of the preferential subscription rights provided for by Luxembourg law for the benefit of existing shareholders will seriously reduce the flexibility of the Company to finance its operations and potential growth through issuances of shares; in addition, the preferential subscription rights procedure contemplated by Luxembourg law would, in some cases, risk delaying increases in share capital and issuances of new shares at times when timing may be of the essence.

Accordingly, the Board of Directors believes it to be in the Company's best interest that the Board of Directors be authorized to negotiate and conclude acquisitions, investments, joint ventures and other transactions using shares or rights to shares of the Company's capital as consideration. Similarly, the Board of Directors believes that the interest of the Company requires that maximum flexibility be granted so that the Company be able to react quickly and without delay to any suitable acquisition, investment, joint venture or other strategic proposals or projects and/or to secure financing in connection thereto by issuing or offering to issue shares within the limits of the proposed authorization.

The Board of Directors also believes that the interest of the Company requires that the Board of Directors be authorized to issue such shares or rights thereto either at or below market price, and including by way of incorporation of reserves, as it may be necessary or convenient in light of the facts and circumstances of the transaction in question or its strategic significance.

The Board of Directors further believes that, for the Company and its group to maximize its ability to attract and retain valuable directors, managers, officers, agent or employees, it is its best interest that the Company retain the flexibility to offer to such persons shares or conversion, option or similar plans or incentive programs permitting the subscription of shares in the Company either at or below market price. Such plans and programs, by serving the purpose of facilitating the recruitment or retention of key employees and executives, would enable the Company and its group to secure business opportunities, further strengthen and develop its market position and continue the implementation of the Company's long term strategy.

Accordingly, the Board of Directors believes that issuances of shares as compensation to, or to satisfy conversion or option rights created to provide compensation to directors, officers, agents or employees of the Company, its subsidiaries or its affiliated companies should be made by the Board of Directors upon such terms and conditions as it deems fit and without reserving pre-emptive subscription rights to existing shareholders; provided, however, that any such issuances shall be limited to 1.5% of the Company's issued share capital from time to time.

The Board of Directors

Ternium 2014 Annual Report

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Company Profile and Strategy

Ternium is a leading steel producer in Latin America. We manufacture and process a broad range of value-added steel products, including galvanized and electro-galvanized sheets, pre-painted sheets, tinplate, welded pipes, hot-rolled flat products, cold-rolled products, bars and wire rods as well as slit and cut-to-length offerings through our service centers.

Our customers range from large global companies to small businesses operating in the construction, automotive, home appliances, capital goods, container, food and energy industries. We aim to build close relationships with our customers and recognize that our success is closely linked with theirs.

Ternium has a deeply ingrained industrial culture. With approximately 16,900 employees and an annual production capacity of 11 million tons of finished steel products, Ternium has production facilities located in Mexico, Argentina, Colombia, the southern United States and Guatemala, as well as a network of service and distribution centers throughout Latin America that provide it with a strong position from which to serve its core markets. In addition, Ternium participates in the control group of Usiminas, a leading steel company in the Brazilian steel market.

Our proximity to local steel consuming markets enable us to differentiate from our competitors by offering valuable services to our customer base across Latin America. Our favorable access to iron ore sources and proprietary iron ore mines in Mexico provide reduced logistics costs, and our diversified steel production technology enables us to adapt to fluctuating input-cost conditions.

We operate with a broad and long-term perspective, and we regularly work towards improving the quality of life of our employees, their families and the local communities where we operate.

Ternium S.A. (the "Company") is a Luxembourg company and its American Depositary Shares, or ADSs, are listed on the New York Stock Exchange (NYSE: TX). We refer to Ternium S.A. and its consolidated subsidiaries as "we," "our" or "Ternium."

The financial and operational information contained in this annual report is based on Ternium's operational data and on the Company's consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as issued by the International Accounting Standards Board, or IASB and adopted by the European Union (EU), or IFRS, and presented in U.S. dollars (\$) and metric tons.

Operating and Financial Highlights

	2014	2013	2012 ¹	2011 ^{1 2}	2010 ^{1 2}
STEEL SALES VOLUME (thousand tons)					
Mexico	5,632.2	4,984.9	4,952.4	4,683.2	4,466.9
Southern Region	2,510.9	2,633.1	2,444.5	2,635.3	2,396.4
Other Markets	1,238.5	1,370.3	1,371.2	1,505.0	1,191.3
Total	9,381.5	8,988.4	8,768.2	8,823.6	8,054.6
FINANCIAL INDICATORS (millions of \$)					
Net sales	8,726.1	8,530.0	8,608.1	9,122.8	7,339.9
Operating income	1,056.2	1,109.4	920.6	1,255.7	1,043.6
EBITDA ³	1,471.0	1,486.6	1,291.5	1,651.6	1,417.8
Equity in (losses) earnings of non-consolidated companies	(34.2)	(31.6)	(346.8)	10.1	12.9
Profit before income tax expense	952.5	942.3	452.1	965.4	1,185.7
Profit for the year attributable to:					
Owners of the Parent	452.4	455.4	142.0	517.7	622.1
Non-controlling interest	136.4	137.5	48.9	135.1	157.4
Profit for the year	588.8	592.9	190.9	652.8	779.5
Capital expenditures	443.5	883.3	1,022.6	577.0	339.4
Free cash flow ⁴	62.4	208.9	32.5	45.4	457.9
BALANCE SHEET (millions of \$)					
Total assets	10,254.5	10,372.6	10,867.0	10,743.1	11,099.9
Total financial debt	2,164.8	2,002.8	2,424.4	1,996.1	1,939.7
Net debt (cash) financial position	1,801.5	1,526.1	1,703.3	(443.6)	(688.0)
Total liabilities	3,996.1	4,034.6	4,432.1	3,954.5	4,139.1
Capital and reserves attributable to the owners of the parent	5,285.0	5,340.0	5,369.2	5,711.5	5,833.2
Non-controlling interest	973.5	998.0	1,065.7	1,077.1	1,127.5
STOCK DATA (\$ per share / ADS⁵)					
Basic earnings per share	0.23	0.23	0.07	0.26	0.31
Basic earnings per ADS	2.30	2.32	0.72	2.63	3.10
Proposed dividend per ADS	0.90	0.75	0.65	0.75	0.75

Weighted average number of shares outstanding ⁶ (thousand shares)	1,963,076.8	1,963,076.8	1,963,076.8	1,968,327.9	2,004,743.4
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¹ Starting on January 1, 2013, Peña Colorada and Exiros have been proportionally consolidated. Comparative amounts for the periods ended December 31, 2012, 2011 and 2010 show them as investments in non-consolidated companies and their results are included within “Equity in (losses) earnings of non-consolidated companies” in the consolidated income statement.

² Ternium changed prospectively the functional currency of its Mexican subsidiaries to the U.S. dollar, effective as of January 1, 2012. For the periods ended December 31, 2011 and 2010 the functional currency for the Company's Mexican subsidiaries was the Mexican peso.

³ EBITDA equals operating income adjusted to exclude depreciation and amortization, and impairment charges.

⁴ Free cash flow equals net cash provided by operating activities less capital expenditures.

⁵ Each ADS represents 10 shares.

⁶ Shares outstanding were 1,963,076,776 as of December 31 of each of 2014, 2013, 2012 and 2011, and 2,004,743,442 as of December 31 of 2010.

Chairman's Letter

In 2014, Ternium developed its activities in a context of a recovery in the Mexican economy alongside that of the U.S., together with a slowdown in economic growth in the rest of Latin America due to the decline of commodity prices and a very aggressive competitive environment due to the increase in steel imports from China.

The fall in commodity prices is affecting many of Latin America's economies where growth which has been fuelled by high prices for commodity exports over the past few years has not been accompanied by growth in industrial activity and manufacturing employment. This is reflected in higher imports of steel products and manufactured goods in the region, particularly from China.

Direct exports of steel products from China to Latin America rose 56% year on year in 2014 to a record level of 8.3 million tons, representing 12% of total regional consumption. Indirect exports through manufactured goods also rose exponentially. There is a need for a vigilant and concrete response from industry, governments and unions and trade actions to prevent dumping and subsidized imports if the manufacturing base of the region's economies is to be sustained.

The ongoing slowdown of the Chinese economy and, in particular, the abrupt change in steel intensity this year - Chinese apparent steel use grew 11% in 2013 but decreased 3% in 2014 - has resulted in substantial overcapacity and intensified competitive pressures throughout the steel industry worldwide. As Chinese producers seek to increase exports, prices for steel products have fallen to levels that threaten the sustainability of many producers.

In this context, Ternium maintained its profitability in 2014 through expanding its markets and range of products and working to reduce costs. Shipments rose 4% to a new record of 9.4 million tons reflecting the investments and solid positioning we have established in our Latin American markets and our focus on serving the industrial sector.

In Mexico, our shipments rose 13% year on year to reach 60% of our total shipments. The successful ramp-up of our new cold rolling mill and Tenigal hot-dipped galvanizing line in Pesquería, Mexico, has strengthened our positioning in the high-end steel markets. We are developing new products and certifying new steel grades, and our sales of differentiated products for the automotive and specialized industrial sectors are growing and displacing imported products.

In the rest of Latin America, however, our shipments declined. In Argentina, demand for our products was affected by weaker economic activity outside the energy sector with a particularly sharp decline in the automotive sector. In

Colombia, despite growth in activity in the construction and industrial sectors, a surge in low-priced imports from China and other countries affected our sales of finished products.

Following the investments we have made in strengthening our industrial system, we set a number of new production records including record levels of hot rolled coil and galvanized products. In addition to our investments in capacity to produce differentiated products and to reduce energy costs for our Mexican operations, we are working on many different improvement projects throughout our industrial facilities with the aim of optimizing our operations and reducing costs.

Most important are the actions we have been taking to improve safety following the fatal accident in our Guerrero plant in 2013. With the technical assistance of Dupont, we have diagnosed potential process hazards at selected critical processes and are developing new safety management tools to address them. We are encouraged by the response and active participation of our employees in our safety hour routines and new training activities aimed at consolidating a culture of prevention and excellence, identifying potential hazards and avoiding risk. To help identify further opportunities for improvement, we are proceeding with the certification of our safety management systems under the OHSAS 18001 standard and expect to have completed this process in our main facilities in Mexico and Argentina by the end of 2015. And at the Guerrero plant, we are implementing an integral safety and environmental investment plan encompassing technological upgrades and replacement of outdated equipment, and the incorporation of new equipment and technologies to control emissions. Our safety and environmental indicators are improving but we will continue to work to improve all aspects of our safety performance.

Our initiatives to strengthen the industrial value chain in the countries where we operate by offering support and training for small and medium enterprises (SMEs) continues to generate interest with a record number of 940 companies participating. In 2014, we launched several new training programs and incorporated new platforms for collaboration with state entities. In Mexico, we made an agreement with the *Instituto Nacional del Emprendedor* (National Entrepreneur Institute) to support selected SMEs with training and consultancy services associated to capital expenditure projects funded by the Institute. In Argentina, our commercial and institutional assistance efforts focused on the development of new business for SMEs, taking advantage of the solid expansion of oil and gas reserve development projects, in coordination with government financing arms.

Our investment in Usiminas suffered a setback this year. The deterioration in the Brazilian industrial environment and the downturn in international prices for iron ore and steel are affecting the company's profitability. Despite the success shown in turning round the company's operating and financial performance over the past three years, the board of directors of Usiminas passed a resolution on September 26, 2014 dismissing the company's chief executive officer (*Director-Presidente*) and two other executives from their respective positions, following a controversy that arose within the Usiminas control group with respect to rules applicable to the appointment of senior managers. Although this situation remains unresolved, I am confident that the long-term potential of Usiminas remains intact and that, with a strong management team, it can achieve the vision we originally set out for it.

In 2014, our earnings per ADS amounted to \$2.30. Our financial position is solid with a net debt equivalent to 1.2 times the last twelve months of EBITDA. We are proposing to increase the annual dividend by 20% to a level of \$0.90 per ADS.

During 2014, Ternium made good progress in its expansion plans in Mexico through the ramp up of its investments in Pesquería and its commercial integration with end-user industrial customers. Throughout the company, we are working to differentiate ourselves from our competitors and to sustain a position of leadership through industrial excellence, product development and customer service. 2015 will bring new challenges but I am confident that the company will be successful in meeting them. I would like to thank our employees for their efforts and achievements during the past year. I would also like to thank our customers, suppliers and shareholders for their continuing support and confidence in our company.

Paolo Rocca

Chairman

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Business Review

Steel consumption in the main steel markets of the Americas showed mixed performances in 2014. The steel markets of the U.S., Mexico and Colombia showed solid expansion in the year, reflecting healthy economic activity. On the other hand, consumption in the Argentine steel market was relatively stable in 2014 and consumption in the Brazilian steel market decreased, reflecting a slowdown in economic activity. Throughout 2014, Ternium continued to be the leading supplier of flat steel products in Mexico and Argentina, and a leading supplier of steel products in Colombia and Central America.

Ternium achieved record shipment volumes of 9.4 million tons in 2014. In Mexico, shipments increased an outstanding 13.0% year-over-year, on the back of the ramp-up of Ternium's new facilities in Pesquería coupled with solid steel demand growth in that country. Mexico showed a moderate acceleration in economic activity in 2014, with steel market demand expanding by 11.7% year-over-year, according to the Latin American Steel Association, reflecting a vibrant industrial sector that continued increasing exports of manufactured goods, particularly to the U.S., and a slowly improving construction sector. Mexico continues to gain share in Ternium's total steel shipments, with its participation increasing to 60.0% during 2014, from a 55.5% participation in 2013.

Shipments in the Southern Region and in Other Markets decreased year-over-year. Argentina's economic activity showed a moderate contraction in 2014, as strong activity in the oil & gas sector was offset by weaker activity elsewhere. The economy was affected by macroeconomic imbalances and a less favorable external context, including a sharp deceleration of the Brazilian economy and a deflation process in international commodities markets.

Economic activity expanded in Colombia, the U.S. and Central America during 2014, resulting in a strong growth of steel consumption in these markets. Despite this, Ternium steel shipments decreased in 2014, due to the effect of increased steel imports penetration.

During 2014, the new industrial center in Pesquería, Nuevo León, Mexico, achieved its targeted production rates, following a period of ramp-up mainly during the first half of the year. Within the Pesquería industrial center, certain projects were developed by Ternium México and others by Tenigal, a company in which Ternium and Nippon Steel & Sumitomo Metal Corporation (NSSMC) hold 51% and 49% participations, respectively. Through their state-of-the-art production lines, Ternium México's cold-rolling mill and Tenigal's hot-dipped galvanizing mill, this center produces high-end steel mainly targeting the automotive industry, with annual processing capacity of 1.5 million tons of cold-rolled steel and 400,000 tons of galvanized steel. The increased utilization rates of these facilities, following their ramp-up during 2014, is expected to enable Ternium to achieve record shipment levels in 2015, nearing 10 million tons of finished steel products for the whole year.

The construction of Techgen's power plant has been progressing on schedule and within budget. Techgen is a joint venture company located in the Pesquería area of the State of Nuevo León, Mexico. The 900 megawatts power plant is expected to be operational by the end of 2016 at an estimated cost of \$1.1 billion. The plant is expected to cover 100% of Ternium's electricity requirements in Mexico and generate substantial cost savings.

Ternium's support program for small- and medium-sized enterprises (ProPymes) continued growing in 2014 in Mexico and Argentina and now includes approximately 940 companies. Throughout its more than 10 years of existence, ProPymes has helped create an industrial network including customers, suppliers, technical schools, universities, business schools and governments, that has contributed to the improvement of the industry's operating performance and to the reduction of investment barriers within our customers and suppliers. In 2015, ProPymes seeks to continue expanding its influence in Mexico through the incorporation of new SMEs into the program and the organization of a high profile annual industry convention.

Ternium's environmental projects during 2014 continued focusing on the improvement of air emissions and wastewater treatment and disposal, and on the reduction or elimination of hazardous products from our manufacturing processes. Of note during the year was, in Argentina, the commissioning of new equipment in several facilities, including equipment to reduce particulate matter emissions in the coal charging process; to reduce emissions of sulphur and nitric oxides in the coking process of metallurgical coal; to abate carbon dioxide during the pig iron pouring process; and to de-dust the continuous casters tundishing process. In addition, during 2014, an energy efficiency program was launched in order to identify opportunities to develop and implement projects targeting savings in energy consumption. Furthermore, during the year Siderar continued with a new ISO 14001 certification procedure encompassing all of its steel processing facilities under a four-year certification program.

Ternium made progress in several projects under the Guerrero investment plan launched in 2013 encompassing industrial safety, environmental sustainability, maintenance and facility overhaul. Civil works started during 2014 in a number of projects in the iron ore reduction facilities, the steel shop and the cold-rolling mills, and engineering studies started for additional projects in the mentioned facilities. These capital expenditure programs aim at bringing Ternium's Guerrero unit in Mexico to meet the most stringent environmental and safety norms in the world.

On safety management initiatives, during the second half of 2013 Ternium retained Dupont, a renowned authority in industrial safety, to evaluate opportunity areas in Ternium's safety systems with focus on critical production processes, among other projects. As a result, during 2014 we advanced in the diagnosis and identification of process hazards at selected critical processes, and, accordingly, in the development of new safety management tools for such processes. In addition, during 2014 Ternium advanced in the development of, and undertook the first external audit of the documentary structure under a program aimed at obtaining the OHSAS 18001 certification for its largest facilities in Mexico and Argentina.

In 2014, we also strengthened our presence in Usiminas. Following the acquisition of 51.4 million additional ordinary shares of Usiminas on October 30, 2014, we now hold 32.9% of Usiminas' ordinary shares and a participation in Usiminas' results of 16.8%.

Steel Segment

Ternium's shipments of steel products reached 9.4 million tons in 2014, a 4.4% increase compared with the 9.0 million tons achieved in the previous year. GDP in Latin America grew 1.2% in the year, lower than the 2.8% expansion rate in 2013, while the U.S. economy grew 2.4% in 2014, slightly higher than its 2.2% expansion rate in 2013.

Apparent demand for finished steel grew 0.6% year-over-year in Latin America in 2014, lower than its 3.3% expansion rate in 2013. In Mexico, the industrial sector advanced at a solid pace during the year while activity in the construction sector showed a slow improvement. In the main South American markets, construction activity stagnated during 2014 while industrial activity decreased year-over-year. Apparent demand for finished steel grew 11.7% in the United States, resuming the cycle of solid expansion seen in previous years.

Mexico

During 2014, Ternium was the leading supplier of flat steel products in Mexico. Shipments to this market increased 13.0% year-over-year to 5.6 million tons, representing 60.0% of Ternium's total steel shipments. Mexico's GDP increased 2.1% year-over-year in 2014, evidencing an acceleration in economic activity versus the prior year. Apparent steel use increased 11.7% year-over-year to approximately 22.5 million tons in 2014 in the context of a broad expansion of Mexican industrial sector during the year.

⁷ Source: International Monetary Fund, World Economic Outlook

⁸ Source: World Steel Association, Latin American Steel Association and Ternium estimates

Construction activity in Mexico remained flat in 2014. On the other hand, motor vehicles production increased a solid 9.8% year-over-year, confirming the continued outstanding performance of this sector in Mexico. With 3.2 million units produced in 2014, the Mexican automotive industry now ranks as the seventh largest car producer in the world.

Steel prices in the United States, which are a significant driver for steel prices in Mexico, remained range bound during most of 2014, following an upward trend in the second half of 2013, and began to trend downward during the fourth quarter 2014 in line with the downturn in international steel prices and a significant increase in imports into the U.S. market. Service center steel inventories remained range bound during the first half 2014 and increased during the second half of the year, partly responding to steel demand growth.

During 2014, Ternium continued running its integrated steelmaking facilities in Mexico at close to full capacity. We continued maximizing the use of direct reduced iron in the metallic mix of our steel shops (produced in our natural gas-based iron ore direct reduction units), which has been a cost efficient input compared with steel scrap given prevailing prices during the year. Our re-rolling facilities saw higher utilization rates in 2014 compared with those of the year prior, as our Guerrero unit's hot strip mill #1, idled for most of 2013, has been operating since the end of 2013 due to an increased demand for its products. As of year-end 2014, these facilities were operating at their targeted utilization rates.

Ternium's capital expenditures in the steel segment in the country amounted to \$201 million in 2014. The main investments carried out during the period included those made in the new cold rolling mill (Pesquería facility), in our mining activities, in the maintenance and enhancement of our iron ore reduction facilities and for the expansion of our service center capacity. The Pesquería facility is a new cold-rolling mill commissioned during 2013, with annual processing capacity of 1.5 million tons, designed to serve the dynamic Mexican industry. Our 2011-2014 high-end investment plan in our steel segment in Mexico has been mostly completed and focus has now shifted toward projects aimed at enhancing quality and productivity, and reducing costs.

Ternium expects GDP growth rates in Mexico to accelerate further this year as a result of higher infrastructure and construction spending and ongoing solid U.S. economic performance. Apparent steel use is expected to grow with a continued and broad expansion of the industrial sectors and a gradual rebound of construction activity, related to higher activity in infrastructure development and a rebound of residential projects. In this context Ternium expects in 2015 to achieve new record shipment levels in the country, profiting from a higher utilization rate at its Pesquería industrial center.

Southern Region

The Southern Region encompasses the steel markets of Argentina, Bolivia, Chile, Paraguay and Uruguay. During 2014, Ternium was the leading supplier of flat steel products in Argentina and a leading supplier of steel products in Paraguay and Uruguay. Shipments in the Southern Region decreased 4.6% year-over-year in 2014 to 2.5 million tons, representing 26.8% of Ternium's total steel shipments.

⁹ Source: Mexican Statistics and Geography Institute

¹⁰ Source: Mexican Automotive Industry Association

Argentina's GDP records in 2014 showed a moderate contraction in activity, reflecting weak economic performance across the board. Apparent steel demand decreased slightly year-over-year to approximately 5.0 million tons, with a stagnant construction sector and a significant contraction of the automotive sector, all of which resulted in a decrease of Ternium's shipments in the country.

Ternium's shipments in the Paraguayan and Bolivian markets increased in 2014, while shipments in the Uruguayan market remained relatively stable and shipments to the Chilean market decreased compared with shipment levels in the year prior. The economies of these countries expanded in 2014, with GDP growth rates of between 2.0% and 5.2% year-over-year.

In 2014, Ternium's Argentine subsidiary Siderar increased steel production by 9% compared with production levels in 2013, as Siderar has been ramping-up its new steelmaking facilities since the first quarter of the year and as steel production levels in 2013 were affected by the outage of Siderar's blast furnace #2, which was idle during most of the second half of 2012 until February 2013. In the finishing facilities, utilization rates decreased compared with those of the previous year reflecting lower demand for finished steel products in the domestic Argentine market.

Siderar's capital expenditures amounted to \$189 million in 2014. During the year, Siderar made progress on several projects, including those for the expansion and enhancement of the coking facilities, for the expansion and enhancement of the steelmaking facilities (including a new continuous caster in the steel shop, inaugurated during the first quarter) and for the revamping of the hot-rolling mill.

Looking ahead to 2015, steel consumption is not expected to show growth in Argentina, in the context of a stagnant local economy and relatively weak demand growth in Brazil. During the year, Siderar expects to progress in the utilization of its new industrial facilities, a result of the investments performed in the latest years, particularly in those facilities that enable the production of high-end steel products that result in an increase in the added value of our steel shipments. Siderar's capital expenditures focus in 2015 is planned to shift towards projects aimed at increasing steel processing capacity, increasing operating efficiency, enhancing process technology and reliability, and widening the product range.

¹¹ Source: Argentine Statistics Institute

¹² Source: Argentine Automotive Producers Association

Other Markets

Ternium's sales to the rest of the world are shown under "Other Markets", including major shipment destinations such as Colombia, the United States and Central America. During 2014, Ternium was a leading supplier of steel products in Colombia and Central America. In addition, Ternium continued serving customers in southern United States and in other countries throughout Latin America. Shipments to these markets, which represent 13.2% of Ternium's total steel shipments, decreased 9.6% on average year-over-year in 2014 to 1.2 million tons.

Colombia's GDP continued growing at a solid pace in 2014, reflecting a broad-based increase in activity. Apparent steel use increased 15.8%