
Ternium agrees on compensation for Sidor

Friday, 08 May, 2009

Ternium SA announced the completion of the transfer of its entire 59.7% interest in Sidor CA to Corporación Venezolana de Guayana, or CVG, a Venezuelan governmental entity.

The transfer was effected as a result of Venezuela's Decree Law 6058, which ordered that Sidor and its subsidiaries and associated companies be transformed into state-owned enterprises and declared the activities of such companies of public and social interest. While CVG had assumed operational control of Sidor on July 12, 2008, Ternium had retained formal title over the shares until today.

Ternium agreed to receive an aggregate amount of USD 1.97 billion as compensation for its Sidor shares. Of that amount, CVG paid USD 400 million in cash. The balance was divided in two tranches: the first tranche of USD 945 million will be paid in six equal quarterly installments, while the second tranche will be paid at maturity in October 2010, subject to quarterly mandatory prepayment events based on the increase of the WTI crude oil price over its May 6, 2009 level.

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