

Edgar Filing: GROUP SIMEC SA DE CV - Form 6-K

GROUP SIMEC SA DE CV  
Form 6-K  
May 06, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-11176

For the month of May, 2009.

Group Simec, Inc.

-----  
(Translation of Registrant's Name Into English)

Av. Lazaro Cardenas 601, Colonia la Nogalera, Guadalajara, Jalisco, Mexico 44440  
-----

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant is submitting the Form 6-K in  
paper as permitted by Regulation S-T Rule 101(b) (1)

Yes  No

Indicate by check mark whether the registrant is submitting the Form 6-K in  
paper as permitted by Regulation S-T Rule 101(b) (7)

Yes  No

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):  
82-\_\_\_\_\_.)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the  
Company has duly caused this report to be signed on its behalf by the  
undersigned, thereunto duly authorized.

GRUPO SIMEC, S.A.B. de C.V.  
(Registrant)

Date: May 6, 2009.

By: /s/ Luis Garcia Limon  
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Name: Luis Garcia Limon  
 Title: Chief Executive Officer

MEXICAN STOCK EXCHANGE  
 SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
 GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

CONSOLIDATED FINANCIAL STATEMENT  
 AT DECEMBER 31 OF 2008 AND 2007  
 (thousands of Mexican pesos)

AUDITED

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s01	TOTAL ASSETS	30,814,017	100
s02	CURRENT ASSETS	13,045,429	42
s03	CASH AND SHORT-TERM INVESTMENTS	576,741	2
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	2,855,472	9
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	504,818	2
s06	INVENTORIES	8,849,906	29
s07	OTHER CURRENT ASSETS	258,492	1
s08	LONG-TERM	0	0
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
s11	OTHER INVESTMENTS	0	0
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	10,291,145	33
s13	LAND AND BUILDINGS	3,731,695	12
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	12,790,306	42
s15	OTHER EQUIPMENT	230,015	1
s16	ACCUMULATED DEPRECIATION	6,847,468	22
s17	CONSTRUCTION IN PROGRESS	386,597	1

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s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,351,774	24
s19	OTHER ASSETS	125,669	0
s20	TOTAL LIABILITIES	9,508,520	100
s21	CURRENT LIABILITIES	5,255,145	55
s22	SUPPLIERS	3,399,772	36
s23	BANK LOANS	8,800	0
s24	STOCK MARKET LOANS	4,055	0
s103	OTHER LOANS WITH COST	0	0
s25	TAXES PAYABLE	298,251	3
s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,544,267	16
s27	LONG-TERM LIABILITIES	0	0
s28	BANK LOANS	0	0
s29	STOCK MARKET LOANS	0	0
s30	OTHER LOANS WITH COST	0	0
s31	DEFERRED LIABILITIES	0	0
s32	OTHER NON-CURRENT LIABILITIES WITHOUT COST	4,253,375	45
s33	CONSOLIDATED STOCKHOLDERS' EQUITY	21,305,497	100
s34	MINORITY INTEREST	3,122,342	15
s35	MAJORITY INTEREST	18,183,155	85
s36	CONTRIBUTED CAPITAL	8,350,900	39
S79	CAPITAL STOCK	4,142,696	19
s39	PREMIUM ON ISSUANCE OF SHARES	4,208,204	20
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
s41	EARNED CAPITAL	9,832,255	46
s42	RETAINED EARNINGS AND CAPITAL RESERVES	9,507,958	45
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	324,297	2
s80	SHARES REPURCHASED	0	0

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

CONSOLIDATED FINANCIAL STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s03	CASH AND SHORT-TERM INVESTMENTS	576,741	100
s46	CASH	234,679	41
s47	SHORT-TERM INVESTMENTS	342,062	59
s07	OTHER CURRENT ASSETS	258,492	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s82	DISCONTINUED OPERATIONS	0	0
s83	OTHER	258,492	100
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,351,774	100
s48	DEFERRED EXPENSES	3,099,182	42
s49	GOODWILL	4,166,160	57
s51	OTHER	86,432	1
s19	OTHER ASSETS	125,669	100
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	3,446	3
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s50	DEFERRED TAXES	0	0
s86	DISCONTINUED OPERATIONS	0	0

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s87	OTHER	122,223	97
s21	CURRENT LIABILITIES	5,255,145	100
s52	FOREIGN CURRENCY LIABILITIES	3,766,787	72
s53	MEXICAN PESOS LIABILITIES	1,488,358	28
s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,544,267	100
s88	DERIVATIVE FINANCIAL INSTRUMENTS	376,206	24
s89	INTEREST LIABILITIES	5,251	0
s68	PROVISIONS	0	0
s90	DISCONTINUED OPERATIONS	0	0
s58	OTHER CURRENT LIABILITIES	1,162,810	75
s27	LONG-TERM LIABILITIES	0	0
s59	FOREIGN CURRENCY LIABILITIES	0	0
s60	MEXICAN PESOS LIABILITIES	0	0
s31	DEFERRED LIABILITIES	0	0
s65	NEGATIVE GOODWILL	0	0
s67	OTHER	0	0
s32	OTHER NON CURRENT LIABILITIES WITHOUT COST	4,253,375	100
s66	DEFERRED TAXES	4,172,251	98
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	34,095	1
s92	DISCONTINUED OPERATIONS	0	0
s69	OTHER LIABILITIES	47,029	1
s79	CAPITAL STOCK	4,142,696	100
s37	CAPITAL STOCK (NOMINAL)	2,420,230	58
s69	RESTATEMENT OF CAPITAL STOCK	1,722,466	42

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

CONSOLIDATED FINANCIAL STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s42	RETAINED EARNINGS AND CAPITAL RESERVES	9,507,958	100
s93	LEGAL RESERVE	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	200,612	2
s94	OTHER RESERVES	0	0
s95	RETAINED EARNINGS	7,511,209	79
s45	NET INCOME FOR THE YEAR	1,796,137	19
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	324,297	100
s70	ACCUMULATED MONETARY RESULT	0	0
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	0	0
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	595,165	184
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	(270,868)	(84)
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	0	
s99	LABOR OBLIGATION ADJUSTMENT	0	0
s100	OTHER	0	0

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QUARTER: 4 YEAR: 2008

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BALANCE SHEETS  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
S72	WORKING CAPITAL	7,790,284	
S73	PENSIONS FUND AND SENIORITY PREMIUMS	0	
S74	EXECUTIVES (*)	60	
S75	EMPLOYERS (*)	1,890	
S76	WORKERS (*)	2,873	
S77	COMMON SHARES (*)	497,709,214	
S78	REPURCHASED SHARES (*)	0	
S101	RESTRICTED CASH	0	
S102	NET DEBT OF NON CONSOLIDATED COMPANIES	270,766	

(\*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

STATEMENTS OF INCOME  
FROM JANUARY 1 TO DECEMBER 31 OF 2008 AND 2007  
(thousands of Mexican pesos)

AUDITED

REF R	CATEGORIES	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	35,185,220	100
r02	COST OF SALES	29,796,163	85

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r03	GROSS PROFIT	5,389,057	15
r04	OPERATING EXPENSES	2,273,828	6
r05	OPERATING INCOME	3,115,229	9
r08	OTHER INCOME AND (EXPENSE), NET	(3,916)	0
r06	COMPREHENSIVE FINANCING RESULT	(174,661)	0
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	2,936,652	8
r10	INCOME TAXES	1,036,303	3
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	1,900,349	5
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	1,900,349	5
r19	NET INCOME OF MINORITY INTEREST	104,212	0
r20	NET INCOME OF MAJORITY INTEREST	1,796,137	5

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

STATEMENTS OF INCOME  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	35,185,220	100
r21	DOMESTIC	10,713,674	30
r22	FOREIGN	24,471,546	70
r23	TRANSLATED INTO DOLLARS (***)	2,198,590	



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r08	OTHER INCOME AND (EXPENSE), NET	(3,916)	100
r49	OTHER INCOME AND (EXPENSE), NET	20,025	(511)
r34	EMPLOYEES' PROFIT SHARING EXPENSES	23,941	611
r35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0
r06	COMPREHENSIVE FINANCING RESULT	(174,661)	100
r24	INTEREST EXPENSE	57,288	(33)
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
r45	OTHER FINANCE COSTS	0	0
r26	INTEREST INCOME	135,810	(78)
r46	OTHER FINANCIAL PRODUCTS	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	(253,183)	145
r28	RESULT FROM MONETARY POSITION	0	0
r10	INCOME TAXES	1,036,303	100
r32	INCOME TAX	743,255	72
r33	DEFERRED INCOME TAX	293,048	28

(\*\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
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GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

STATEMENTS OF INCOME  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF	CONCEPTS	CURRENT YEAR
R		AMOUNT

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r36	TOTAL SALES	35,618,819
r37	TAX RESULT FOR THE YEAR	0
r38	NET SALES (**)	35,185,220
r39	OPERATION INCOME (**)	3,143,385
r40	NET INCOME OF MAJORITY INTEREST (**)	1,796,137
r41	NET CONSOLIDATED INCOME (**)	1,900,349
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	867,150

(\*\*) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

QUARTERLY STATEMENTS OF INCOME  
FROM OCTOBER 1 TO DECEMBER 31 OF 2008 AND 2007  
(thousands of Mexican pesos)

AUDITED

REF R	CATEGORIES	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	7,617,888	100
r02	COST OF SALES	7,326,696	96
r03	GROSS PROFIT	291,192	4
r04	OPERATING EXPENSES	916,294	12
r05	OPERATING INCOME	(625,102)	(8)
r08	OTHER INCOME AND (EXPENSE), NET	(56,867)	0
r06	COMPREHENSIVE FINANCING RESULT	58,853	1
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	(623,116)	(8)
r10	INCOME TAXES	(172,312)	(2)

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r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	(450,804)	(6)
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	(450,804)	(6)
r19	NET INCOME OF MINORITY INTEREST	(506,206)	(7)
r20	NET INCOME OF MAJORITY INTEREST	55,402	1

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
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QUARTER: 4 YEAR: 2008

QUARTERLY STATEMENTS OF INCOME  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
rt01	NET SALES	7,617,888	100
rt21	DOMESTIC	2,635,143	35
rt22	FOREIGN	4,982,745	65
rt23	TRANSLATED INTO DOLLARS (***)	338,726	
rt08	OTHER INCOME AND (EXPENSE), NET	(56,867)	100
rt49	OTHER INCOME AND (EXPENSE), NET	(41,616)	73
rt34	EMPLOYEES' PROFIT SHARING EXPENSES	15,251	27
rt35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0
rt06	COMPREHENSIVE FINANCING RESULT	58,853	100
rt24	INTEREST EXPENSE	28,070	48
rt42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
rt45	OTHER FINANCE COSTS	0	0

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rt26	INTEREST INCOME	25,685	44
rt46	OTHER FINANCIAL PRODUCTS	0	0
rt25	FOREIGN EXCHANGE GAIN (LOSS), NET	61,238	104
rt28	RESULT FROM MONETARY POSITION	0	0
rt10	INCOME TAXES	(172,312)	100
rt32	INCOME TAX	305,519	(177)
rt33	DEFERRED INCOME TAX	(477,831)	277

(\*\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
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QUARTER: 4 YEAR: 2008

QUARTERLY STATEMENTS OF INCOME  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF RT	CONCEPTS	CURR
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	46

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FROM JANUARY 1 TO DECEMBER 31 OF 2008 AND 2007  
(thousands of pesos)

AUDITED

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REF C	CONCEPTS	CURRENT YEAR  AMOUNT
c01	CONSOLIDATED NET INCOME	1,900,349
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	1,292,538
c03	RESOURCES FROM NET INCOME FOR THE YEAR	3,192,887
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,252,433)
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	1,940,454
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	205,605
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,169,155
c08	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,374,760
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(9,134,628)
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(5,819,414)
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	6,396,155
c12	CASH AND SHORT TERM INVESTMENTS AT THE END OF PERIOD	576,741

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
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QUARTER: 4 YEAR: 2008

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of pesos)

AUDITED

REF C	CONCEPTS	CURRENT YEAR  AMOUNT
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	1,292,538
c13	DEPRECIATION AND AMORTIZATION FOR THE YEAR	895,306

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c41	+ (-) OTHER ITEMS	397,232
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c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,252,433)
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	290,082
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	(2,030,274)
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	(251,920)
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	541,938
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	197,741
-----		
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	205,605
c23	+ BANK FINANCING	1,334,129
c24	+ STOCK MARKET FINANCING	0
c25	+ DIVIDEND RECEIVED	0
c26	OTHER FINANCING	232,943
c27	BANK FINANCING AMORTIZATION	(1,325,329)
c28	(-) STOCK MARKET FINANCING AMORTIZATION	0
c29	(-) OTHER FINANCING AMORTIZATION	(36,138)
c42	+ (-) OTHER ITEMS	0
-----		
C07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,169,155
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	112,269
c31	(-) DIVIDENDS PAID	0
c32	+ PREMIUM ON ISSUANCE OF SHARES	1,056,886
c33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	0
c43	+ (-) OTHER ITEMS	0
-----		
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(9,134,628)
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	(8,450,796)
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(479,804)
c36	(-) INCREASE IN CONSTRUCTION PROGRESS	0
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c37	+ SALE OF OTHER PERMANENT INVESTMENTS	0
c38	+ SALE OF TANGIBLE FIXED ASSETS	4,769
c39	+ (-) OTHER ITEMS	(208,797)

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QUARTER: 4 YEAR: 2008

STATE OF CASH FLOW (INDIRECT METHOD)  
FROM JANUARY 1 TO DECEMBER 31 OF 2008 AND 2007  
(thousands of pesos)

AUDITED

REF C	CONCEPTS	CURRENT YEAR AMOUNT
ACTIVITIES OF OPERATION		
e01	INCOME (LOSS) BEFORE INCOME TAXES	2,936,652
e02	+ (-) ITEMS NOT REQUIRING CASH	126,084
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	759,496
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	57,288
e05	CASH FLOW BEFORE INCOME TAX	3,879,520
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(2,034,270)
e07	CASH FLOW PROVIDED OF OPERATING ACTIVITIES	1,845,250
INVESTMENT ACTIVITIES		
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(9,000,056)
e09	CASH FLOW AFTER INVESTING ACTIVITIES	(7,154,806)
FINANCING ACTIVITIES		
e10	NET CASH FROM FINANCING ACTIVITIES	1,334,154
e11	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,820,652)
e12	TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS	1,238
e13	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	6,396,155

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e14 CASH AND CASH EQUIVALENTS AT THE END OF PERIOD

576,741

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QUARTER: 4 YEAR: 2008

STATE OF CASH FLOW (INDIRECT METHOD)  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of pesos)

AUDITED

REF C	CONCEPTS	CURRENT YEAR AMOUNT
e02	+ (-) ITEMS NOT REQUIRING CASH	126,084
e15	+ ESTIMATES FOR THE PERIOD	0
e16	+ PROVISIONS FOR THE PERIOD	0
e17	+ (-) OTHER UNREALIZED ITEMS	126,084
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	759,496
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	895,306
e19	(-) + GAIN OR LOSS ON SALE PROPERTY, PLANT AND EQUIPMENT	0
e20	+ IMPAIRMENT LOSS	0
e21	(-) + EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0
e22	(-) DIVIDENDS RECEIVED	0
e23	(-) INTEREST INCOME	(135,810)
e24	(-) + OTHER ITEMS	0
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	57,288
e25	+ ACCRUED INTEREST	57,288
e26	+ (-) OTHER ITEMS	0



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e06	CASH FLOW PROVIDED OR USED IN OPERATION	(2,034,270)
e27	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	290,082
e28	+ (-) DECREASE (INCREASE) IN INVENTORIES	(2,030,274)
e29	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLES	(251,920)
e30	+ (-) INCREASE DECREASE IN SUPPLIERS	541,938
e31	+ (-) INCREASE DECREASE IN OTHER LIABILITIES	111,756
e32	+ (-) INCOME TAXES PAID OR RETURNED	(695,852)
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(9,000,056)
e33	(-) PERMANENT INVESTMENT IN SHARES	(8,450,796)
e34	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0
e35	(-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT	(479,804)
e36	+ SALE OF PROPERTY PLANT AND EQUIPMENT	4,769
e37	(-) INVESTMENT IN INTANGIBLE ASSETS	0
e38	+ DISPOSITION OF INTANGIBLE ASSETS	0
e39	+ OTHER PERMANENT INVESTMENTS	0
e40	+ DISPOSITION OF OTHER PERMANENT INVESTMENTS	0
e41	+ DIVIDEND RECEIVED	0
e42	+ INTEREST RECEIVED	135,810
e43	+ (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0
e44	+ (-) OTHER ITEMS	(210,035)
e10	NET CASH FROM FINANCING ACTIVITIES	1,334,154
e45	+ BANK FINANCING	1,334,129
e46	+ STOCK MARKET FINANCING	0
e47	+ OTHER FINANCING	232,943
e48	(-) BANK FINANCING AMORTIZATION	(1,325,329)
e49	(-) STOCK MARKET FINANCING AMORTIZATION	0
e50	(-) OTHER FINANCING AMORTIZATION	0
e51	+ (-) INCREASE (DECREASE ) IN CAPITAL STOCK	112,269
e52	(-) DIVIDENDS PAID	0

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e53	+ PREMIUM ON ISSUANCE OF SHARES	1,056,887
e54	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0
e55	(-) INTEREST EXPENSE	(40,607)
e56	(-) REPURCHASE OF SHARES	0
e57	+ (-) OTHER ITEMS	0

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

STATUS OF CHANGES IN STOCKHOLDERS' EQUITY  
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

AUDITED

CONCEPTS	CONTRIBUTED CAPITAL			EARNED CAPITAL			
	CAPITAL STOCK	PREMIUM ON ISSUANCE OF SHARES	ACCUMULATED (LOSSES) EARNINGS OR RESERVES	ACCUMULATED COMPREHENSIVE RESULT	EARNINGS (LOSSES) TO APPLY	RETAM AND ISR DEFERRED	OTHER COMPREHENSIVE RESULT
BALANCE AT DECEMBER 31, 2006	3,763,412	997,606	200,612	6,820,510	-1,044,172		-30,096
APPLICATION OF THE RESULT OF THE EXERCISE TO ACCUMULATED RESULTS	0	0	0	0	0	0	0
CONSTITUTION OF RESERVES	0	0	0	0	0	0	0
DECREED DIVIDENDS	0	0	0	0	0	0	0
(DECREASE) INCREASE CAPITAL	267,015	0	0	0	0	0	0
REPURCHASE OF SHARES	0	0	0	0	0	0	0
RESERVE FOR THE							

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ACQUISITION OF SHARES	0	0	0	0	0	0
(DECREASE) INCREASE IN PREMIUM ON ISSUANCE OF SHARES	0	2,153,711	0	0	0	0
(DECREASE) INCREASE IN MINORITY INVESTMENT	0	0	0	0	0	0
COMPREHENSIVE INCOME (*)	0	0	0	1,529,057	205,814	-1,614
BALANCE AT DECEMBER 31, 2007	4,030,427	3,151,317	200,612	8,349,567	-838,358	-31,710
RECLASSIFICATION INITIAL BALANCES RESULT FOR HOLDING OF MONETARY ASSETS AND DEFERRED TAX ON INCOME	0	0	0	-838,358	838,358	0
APPLICATION OF THE RESULT OF THE EXERCISE TO ACCUMULATED RESULTS	0	0	0	0	0	0
CONSTITUTION OF RESERVES	0	0	0	0	0	0
DECREED DIVIDENDS	0	0	0	0	0	0
(DECREASE) INCREASE CAPITAL	112,269	0	0	0	0	0
REPURCHASE OF SHARES	0	0	0	0	0	0
RESERVE FOR THE ACQUISITION OF SHARES	0	0	0	0	0	0
(DECREASE) INCREASE IN PREMIUM ON ISSUANCE OF SHARES	0	1,056,887	0	0	0	0
(DECREASE) INCREASE IN MINORITY INVESTMENT	0	0	0	0	0	0
COMPREHENSIVE INCOME (*)	0	0	0	1,796,137	0	356,007
BALANCE AT DECEMBER 31, 2008	4,142,696	4,208,204	200,612	9,307,346	0	324,297

(\*) INCLUDES EARNED AND RECYCLED

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

DATE PER SHARE  
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REF D	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 3.70
d02	BASIC PROFIT PER PREFERRED SHARE (**)	\$ 0.00
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.00
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	\$ 3.70
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0.00
d08	CARRYING VALUE PER SHARE	\$36.53
d09	CASH DIVIDEND ACCUMULATED PER SHARE	\$ 0.00
d10	DIVIDEND IN SHARES PER SHARE	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	0.62 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE	6.12 times
d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0.00 times

(\*\*) TO CALCULATE THE DATA PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

RATIOS  
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REF P	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
	YIELD	
p01	NET INCOME TO NET SALES	5.40%

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p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	8.92%
p03	NET INCOME TO TOTAL ASSETS (**)	6.17%
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00%
p05	INCOME DUE TO MONETARY POSITION TO NET INCOME	0.00%

ACTIVITY

p06	NET SALES TO NET ASSETS (**)	1.14 times
p07	NET SALES TO FIXED ASSETS (**)	3.42 times
p08	INVENTORIES TURNOVER (**)	3.37 times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	25 days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	0.20%

LEVERAGE

p11	TOTAL LIABILITIES TO TOTAL ASSETS	30.86%
p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	0.45 times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	39.61%
p14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00%
p15	OPERATING INCOME TO INTEREST PAID	54.38 times
p16	NET SALES TO TOTAL LIABILITIES (**)	3.70 times

LIQUIDITY

p17	CURRENT ASSETS TO CURRENT LIABILITIES	2.48 times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.80 times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	1.37 times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	10.97%

(\*\*) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

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## DIRECTOR REPORT

CONSOLIDATED

AUDITED

GUADALAJARA, MEXICO, May 6, 2009- Grupo Simec, S.A.B. de C.V. (AMEX:SIM) ("Simec") announced today final audited results of operations for the year ended December 31, 2008.

Acquisition of Corporacion Aceros DM, S.A. de C.V.

On February 21, 2008, we entered into an agreement to acquire 100% of the shares of Corporacion Aceros DM, S.A. de C.V. and certain of its affiliates ("Grupo San"), and on May 30, 2008 said acquisition was consummated. Grupo San is a long products steel mini-mill and the second-largest corrugated rebar producer in Mexico. Grupo San's operations are based in San Luis Potosi, Mexico. Its plants and 1,450 employees produce 600 thousand tons of finished products annually.

With this acquisition, Simec and Industrias CH, S.A.B. de C.V. ("ICH") position themselves as the second-largest producer of rebar and the largest steel producer in Mexico, with a production capacity of approximately 4.5 million tons of liquid steel and 3.8 million tons of finished products.

With this strategic acquisition, Simec and ICH will achieve a more diversified product mix, with 40% of sales in Mexico and 60% outside Mexico, both of which will allow them to better address the natural cycles of the steel industry on the domestic and global levels. Additionally, Simec has already identified significant synergies and economies of scale that will increase the company's operating margins. Grupo San's central location in San Luis Potosi, where Simec is not currently present, also represents a strong competitive advantage since it provides several strategic benefits mainly related to distribution, given its proximity to Mexico's main cities, sea ports, and borders.

In addition, Grupo San has aggressive expansion plans in its rebar business, which ICH and Simec will support and promote to satisfy the growing demand for this product, resulting from the Mexican government's aggressive infrastructure plan.

The financial statements of Simec include the operations of Grupo San since June 1, 2008.

Pursuant to Mexican Financial Reporting Standards "Bulletin B-7 Acquisitions of Business," Simec is in the process of calculating the goodwill and other intangible assets in the acquisition of Grupo San; as of December 31, 2008, Simec registered the adjustments of the fixed assets and intangible assets, the Company has not concluded the period of identification and measurement of the reasonable values of the acquires assets and liabilities assumed in the acquisition of Grupo San.

Year Ended December 31, 2008 compared to Year Ended December 31, 2007

Net Sales

Net sales increased 46% to Ps. 35,185 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,532 million) compared to Ps. 24,106 million in 2007. Shipments of finished steel products increased 9% to 2 million 924 thousand tons in 2008 (including the net sales generated by the newly

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acquired plants of Grupo San of 261 thousand tons) compared to 2 million 693 thousand tons in 2007. Total sales outside of Mexico in 2008 increased 44% to Ps. 24,471 million (including the net sales generated by the newly acquired plants of Grupo San of Ps. 98 million) compared with Ps. 17,031 million in 2007, while total Mexican sales increased 51% from Ps. 7,075 million in 2007 to Ps. 10,714 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,434 million). The increase in sales can be explained due to higher shipments during 2008, compared with 2007 (a 231,000 tons increase) and 34% increase in the average price of steel products.

### Direct Cost of Sales

Direct cost of sales increased 45% from Ps. 20,499 million in 2007 to Ps. 29,796 million in 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 1,444 million). Direct cost of sales as a percentage of net sales represented 85% in 2008 compared to 85% in 2007. The increase in the direct cost of sales is attributable mainly to an increase of 34% in the average cost of raw materials used to produce steel products in 2008 versus 2007, primarily as a result of increases in the price of scrap and certain other raw materials, as well as a 9% increase in shipments.

### Gross Profit

Gross profit in 2008 increase 49% to Ps. 5,389 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 1,010 million) compared to Ps. 3,607 million in 2007. Gross profit as a percentage of net sales was 15% in 2008 and 2007. This increase in gross profit was principally due to an increase of 9% in sales volume.

### Operating Expenses

Operating expenses increased 60% to Ps. 2,274 million in 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 433 million and the depreciation and amortization of the tangible and intangible assets of Ps. 270 million registered by the acquisition of Grupo San) compared to Ps. 1,423 million in 2007 and represented 6% of net sales in 2008 and 2007.

### Operating Profit

Operating profit increased 43% to Ps. 3,115 million in 2008 (including the operating profit from the newly acquired plants of Grupo San of Ps. 655 million) compared to Ps. 2,184 million in 2007. Operating profit as a percentage of net sales was 9% in 2008 compared to 9% in 2007. The increase in the operating profit was due principally to an increase of 9% in sales volume and an increase of 34% in the average price of steel products.

### Comprehensive Financial Cost

Comprehensive financial cost in 2008 represented an expense of Ps. 175 million compared with a gain of Ps. 41 million in 2007. Net interest income was Ps. 79 million in 2008 compared with net interest income of Ps. 274 million in 2007, reflecting the use of cash and debt for the acquisition of Grupo San. At the same time, we registered an exchange loss of Ps. 254 million in 2008 compared with an exchange loss of Ps. 38 million in 2007, reflecting a 25% increase in the value of the dollar versus the peso as of December 31, 2008 compared to December 31, 2007.

### Other Expenses (Income) net

The company recorded other expense net of Ps. 4 million in 2008 compared to other income net of Ps. 21 million in 2007.

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### Income Taxes

Income Taxes recorded Ps. 1,036 million in 2008 (including Ps. 293 million of deferred income taxes) compared to Ps. 621 million in 2007 (including Ps. 509 million of deferred income taxes).

### Net Profit

As a result of the foregoing, net profit increased by 17% to Ps. 1,900 million in 2008 from Ps. 1,625 million in 2007.

### Liquidity and Capital Resources

As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882). As of December 31, 2007, Simec's total consolidated debt consisted of U.S. \$302,000 from 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2007 was U.S. \$363,703).

Net resources provided by operations were Ps. 1,940 million in 2008 versus Ps. 2,384 million of net resources provided by operations in 2007. Net resources provided by financing activities were Ps. 1,375 million in 2008 (which amount includes the capital increase of Ps. 1,169 million in July 2008) versus Ps. 2,292 million of net resources provided by financing activities in 2007 (which amount includes the capital increase of Ps. 2,421 million in February 2007). Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 9,135 million in 2008 (which amount includes Ps. 8,451 million used in the acquisition of Grupo San) versus net resources used in investing activities (to acquire property, plant and equipment and other non-current assets and liabilities) of Ps. 484 million in 2007.

### Comparative Fourth Quarter 2008 vs. Third Quarter 2008

#### Net Sales

Net sales decreased 28% from Ps. 10,533 million for the third quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,073 million) to Ps. 7,618 million for the fourth quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 945 million). Sales in tons of finished steel decreased 29% to 567 thousand tons in the fourth quarter 2008 compared with 795 thousand tons in the third quarter 2008. The total sales outside of Mexico for the fourth quarter 2008 decreased 32% to Ps. 4,983 million compared with Ps. 7,317 million for the third quarter 2008. Total Mexican sales decreased 18% to Ps. 2,635 million in the fourth quarter 2008 from Ps. 3,216 million in the third quarter 2008. Prices of finished products sold in the fourth quarter 2008 increased approximately 1% compared to the third quarter 2008.

#### Direct Cost of Sales

Direct cost of sales decreased 16% from Ps. 8,726 million in the third quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 663 million) to Ps. 7,327 million for the fourth quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 473 million). With respect to sales, in the fourth quarter 2008, the direct cost of sales represents 96% compared to 83% for the third quarter 2008. The average cost of raw materials used to produce steel products increased 18%



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in the fourth quarter 2008 versus the third quarter 2008, primarily as a result of increases in the price of scrap and certain other raw materials.

### Gross Profit

Gross profit for the fourth quarter 2008 decreased 84% to Ps. 291 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 472 million) compared to Ps. 1,807 million in the third quarter 2008 (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 410 million). The gross profit as a percentage of net sales for the fourth quarter 2008 was 4% compared with 17% for the third quarter 2008. The decrease in gross profit was principally due to the increases in the price of scrap and certain other raw materials and the decrease in tons shipped.

### Operating Expenses

Operating expenses increased 62% to Ps. 916 million in the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 232 million and the depreciation and amortization of Ps. 270 of the tangible and intangible assets determined in the acquisition of Grupo San) compared to Ps. 564 million for the third quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 149 million). Operating expenses as a percentage of net sales represented 12% during the fourth quarter 2008 compared to 5% in the third quarter 2008.

### Operating Profit

Operating profit was Ps. 1,243 million in the third quarter 2008 (including the operating profit from the newly acquired plants of Grupo San of Ps. 261 million) compared to an operating loss of Ps. 625 million for the fourth quarter 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 240 million). The operating loss as a percentage of net sales in the fourth quarter 2008 was 8% compared to 12% of operating profit in the third quarter 2008. The operating loss was principally due to the decrease in tons shipped and the increases in the price of scrap and certain other raw materials.

### Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2008 represented an income of Ps. 59 million compared with Ps. 25 million of income for the third quarter 2008. Net interest expense was Ps. 2 million in the fourth quarter 2008 compared with Ps. 11 million of net interest expense in the third quarter 2008. At the same time, we registered an exchange gain of Ps. 61 million in the fourth quarter 2008 compared with an exchange gain of Ps. 36 million in the third quarter 2008.

### Other Expenses (Income) net

The company recorded other expenses net of Ps. 57 million in the fourth quarter 2008 compared with other income net of Ps. 49 million for the third quarter 2008.

### Income Taxes

Income taxes for the fourth quarter 2008 was an income of Ps. 172 million compared to Ps. 483 million of expense for the third quarter 2008.

### Net Profit

As a result of the foregoing, net profit was Ps. 834 million in the third

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quarter 2008 compared to Ps. 451 million of net loss in the fourth quarter 2008.

### Comparative Fourth Quarter 2008 vs. Fourth Quarter 2007

#### Net Sales

Net sales increased 31% from Ps. 5,824 million for the fourth quarter 2007 compared with Ps. 7,618 million for the same period in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 945 million). Sales in tons of finished steel decreased 16% to 567 thousand tons in the fourth quarter 2008 compared with 675 thousand tons in the same period 2007. The total sales outside of Mexico for the fourth quarter 2008 increased 17% to Ps. 4,983 million compared with Ps. 4,264 million for the same period 2007. Total Mexican sales increased 69% to Ps. 2,635 million in the fourth quarter 2008 from Ps. 1,560 millions in the same period 2007. Prices of finished products sold in the fourth quarter 2008 increased approximately by 56% compared to the fourth quarter 2007.

#### Direct Cost of Sales

Direct cost of sales increased 35% from Ps. 5,436 million in the fourth quarter 2007 to Ps. 7,327 million for the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 473 million). With respect to sales, in the fourth quarter 2008, the direct cost of sales represents 96% compared to 93% for the same period 2007. The average cost of raw materials used to produce steel products increased 60% in the fourth quarter 2008 versus the fourth quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

#### Gross Profit

Gross profit for the fourth quarter 2008 decreased 25% to Ps. 291 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 472 million) compared to Ps. 388 million in the same period 2007. The gross profit as a percentage of net sales for the fourth quarter 2008 was 4% compared with 7% for the same period 2007. The decrease in gross profit was principally due to the decrease in tons shipped and the increases in the price of scrap and certain other raw materials.

#### Operating Expenses

Operating expenses increased 160% to Ps. 916 million in the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 232 million and the depreciation and amortization of Ps. 270 of the tangible and intangible assets determined in the acquisition of Grupo San) compared to Ps. 352 million for the same period 2007. Operating expenses as a percentage of net sales represented 12% during the fourth quarter 2008 compared to 6% of the same period 2007.

#### Operating Profit

Operating profit was Ps. 36 million in the fourth quarter 2007 compared to Ps. 625 million of operating loss for the same period 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 240 million). The operating loss as a percentage of net sales in the fourth quarter 2008 was 8% compared to 1% of operating profit in the same period 2007.

#### Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2008 represented a gain of

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Ps. 59 million compared with an expense of Ps. 168 million for the fourth quarter 2007. Net interest expense was Ps. 2 million in the fourth quarter 2008 compared with Ps. 55 million of net interest income in the fourth quarter 2007. At the same time, we registered an exchange gain of Ps. 61 million in the fourth quarter 2008 compared with an exchange loss of Ps. 36 million in the fourth quarter 2007.

### Other Expenses (Income) net

The company recorded other expenses net of Ps. 57 million for the fourth quarter 2008 compared with other expenses net of Ps. 24 million for the same period 2007.

### Income Taxes

Income taxes for the fourth quarter 2008 decreased to Ps. 172 million compared to a decrease of Ps. 120 million for the same period 2007.

### Net Profit

As a result of the foregoing, net loss was Ps. 451 million in the fourth quarter 2008 compared to Ps. 36 million of net loss in the fourth quarter 2007.

Millions of pesos	Twelve months ended December 31, 2008	Twelve months ended December 31, 2007	2008 vs. 2007
Sales	35,185	24,106	46%
Cost of Sales	29,796	20,499	45%
Gross Profit	5,389	3,607	49%
Operating Expenses	2,274	1,423	60%
Operating Profit	3,115	2,184	43%
EBITDA	4,011	2,733	47%
Net Profit	1,900	1,625	17%
Sales Outside Mexico	24,471	17,031	44%
Sales in Mexico	10,714	7,075	51%
Total Sales (tons)	2,924	2,693	9%

(Millions of pesos)	4Q08	3Q08	4Q07	4Q08 vs 3Q08
Sales	7,618	10,533	5,824	(28%)
Cost of Sales	7,327	8,726	5,436	(16%)

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Gross Profit	291	1,807	388	(84%)
Operating Expenses	916	564	352	62%
Operating Profit	(625)	1,243	36	(150%)
EBITDA	(160)	1,407	206	(111%)
Net Profit	(451)	834	(36)	(154%)
Sales Outside Mexico	4,983	7,317	4,264	(32%)
Sales in Mexico	2,635	3,216	1,560	(18%)
Total Sales (tons)	567	795	675	(29%)

Product	Thousands of tons twelve months ended December 31, 2008	Millions of pesos twelve months ended December 31, 2008	Average price per ton twelve months ended December 31, 2008	Thousands of tons twelve months ended December 31, 2007	Millions of pesos twelve months ended December 31, 2007	Average price per ton twelve months ended December 31, 2007
SBQ	2,034	26,165	12,864	1,946	18,419	9,460
Light Structural	172	1,787	10,391	276	2,162	7,833
Structural	183	1,979	10,815	216	1,752	8,106
Rebar	467	4,408	9,439	250	1,703	6,816
Others	68	845	0	5	70	0
Total	2,924	35,185	12,033	2,693	24,106	8,915

Product	Thousands of tons 4Q08	Millions of pesos 4Q08	Average price per ton 4Q08	Thousands of tons 3Q08	Millions of pesos 3Q08	Average price per ton 3Q08
SBQ	335	5,435	16,224	555	7,858	14,159
Light Structural	30	339	11,302	41	482	11,756
Structural	33	371	11,243	40	488	12,200
Rebar	146	1,210	8,287	127	1,324	10,425
Others	23	263	0	32	381	0

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Total	567	7,618	13,435	795	10,533	13,249
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Any forward-looking information contained herein is inherently subject to various risks, uncertainties and assumptions which, if incorrect, may cause actual results to vary materially from those anticipated, expected or estimated. The company assumes no obligation to update any forward-looking information contained herein.

### MEXICAN STOCK EXCHANGE SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

### FINANCIAL STATEMENT NOTES

CONSOLIDATED

AUDITED

(1) Operations preparation bases and summary of significant accounting policies:

Grupo Simec, S.A. de C.V. and its Subsidiaries ("the Company") are subsidiaries of Industrias CH, S.A. de C.V. ("ICH"), and their main activities consist of the manufacturing and sale of steel products primarily destined for the construction sector of Mexico and other countries.

Significant accounting policies and practices followed by the Companies which affect the principal captions of the financial statements are described below:

a. Financial statement presentation - Below is a summary of the most significant accounting policies and practices used in the preparation of the consolidated financial statements, in conformity with Mexican Financial Reporting Standards (MFRS), which include Bulletins and Circulars issued by the Accounting Principles Commission (CPC) of the Mexican Institute of Public Accountants (IMCP) which have not been amended, replaced or abrogated by MFRS issued by the Mexican Financial Reporting Standards Research and Development Board (Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, A.C. (CINIF)).

b. The main subsidiaries of SIMEC are the following:

- o Compania Siderurgica de California, S.A. de C.V.
- o Industrias del Acero y del Alambre, S.A. de C.V.
- o Pacific Steel Inc.
- o SimRep Corporation and PAV Republic and Subsidiaries
- o Corporacion Aceros DM, S.A. de C.V.

All significant intercompany balances and transactions have been eliminated in consolidation.

c. Cash and cash equivalents - The Company considers short-term investments with original maturities not greater than three months to be cash equivalent. Cash

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equivalents include temporary investments and Mexican Government Treasury Bonds, and are stated at market value, which approximates cost plus earned interest. Any increase in market value is credited to operations for the period.

d. Inventories - Domestic subsidiaries' inventories are recorded initially at average cost under the direct costing system. Foreign subsidiaries' inventories are valued on a last-in, first-out (LIFO). For translation effects into MFRS the inventories have been adjusted from LIFO to average cost under the direct costing system.

Billet finished goods and work in process, raw materials and materials, supplies and rollers - At the average cost.

The Company presents as non-current inventories the rollers and spare parts, which according to historical data and production trends will not be used within a one-year period.

e. Derivative financial instruments - The Company is using derivative financial instruments for hedging risks associated with natural gas prices and conducted studies on historical consumption, future requirements and

commitments; thus it avoided exposure to risks other than the normal operating risks. Management of the Company examines its financial risks by continually analyzing price, credit and liquidity risks.

The Company uses futures contracts for hedging risks from fluctuations in natural gas prices, which are based on demand and supply at the principal international markets.

As applicable, the Company recognized the fair value of instruments either as liabilities or assets. Such fair value and thus, the value of these assets or liabilities were restated at each month's-end. The Company opted for the early adoption of Bulletin C-10 "Derivative Financial Instruments and Hedging"; therefore, at December 31, 2008 the fair value of natural gas were recognized within the comprehensive income account in stockholders' equity.

f. Property, plant and equipment - Property, plant and equipment of domestic origin are restated by using factors derived from The National Consumer Price Index ("NCPI") from the date of their acquisition, and imported machinery and equipment are restated by applying devaluation and inflation factors of the country of origin, until December 31, 2007. Depreciation recorded in the consolidated statement of income (loss) is computed based upon the estimated useful life and the restated cost of each asset. In addition, Financial expense incurred during the construction period is capitalized as construction in progress. The estimated useful lives of assets as of December 31, 2008 are as follows:

	Years
	-----
Buildings.....	15 to 50
Machinery and equipment.....	10 to 40
Buildings and improvements (Republic).....	10 to 25
Land improvements (Republic).....	5 to 25
Machinery and equipment (Republic).....	5 to 20

g. Other assets - Organization and pre-operating expenses are capitalized and their amortization is calculated by the straight-line method over a period of 20 years.

h. Seniority premiums and severance payments - According to Federal Labor Law,

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employees are entitled to seniority premiums after fifteen years or more of services. These premiums are recognized as expenses in the years in which the services are rendered, using actuarial calculations based on the projected unit credit method, and since 1996 by applying real interest and salary increases.

Any other payments to which employees may be entitled in case of separation, disability or death, are charged to operations in the period in which they become payable.

i. Pension plan - Until 1995, the Company provided pension benefits for all personnel with a minimum of 10 years of service and 35 years of age. The Company had established an irrevocable trust for its contributions, which were based on actuarial calculations. In December 1995, the board of directors of the Company, in agreement with the trade union, discontinued these benefits and related contributions to the trust fund. This decision was made because of the new Mexican pension fund system, Administradoras de Fondos para el Retiro, which establishes similar benefits for the employees. The balance of the trust fund will be applied to the retirement benefits of qualifying employees until the fund is exhausted due to the irrevocable status of the fund.

The Company does not have any contractual obligation regarding the payment of pensions of retirements.

j. Income taxes - In 1999, the Mexican Institute of Public Accountants issued Bulletin D-4, "Accounting for Income and Asset Taxes and Employee Profit Sharing", which is effective for all fiscal years beginning January

1, 2000. Bulletin D-4 establishes financial accounting and reporting standards for the effects of asset tax, income tax and employee profit sharing that result from enterprise activities during the current and preceding years.

The Company and its subsidiaries are included in the consolidated tax returns of the company's parent.

k. Foreign currency transactions and exchange differences - All transactions in foreign currency are recorded at the exchange rates prevailing on the date of their execution or liquidation. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing at the balance sheet date. Any exchange differences incurred with regard to assets or liabilities denominated in foreign currency are charged to operations of the period and are included in financial income (expense) in the accompanying consolidated statements of income (loss).

For consolidation purposes, the financial statements of the foreign subsidiaries, were translated into pesos in conformity with Mexican accounting Bulletin MFRS B-15, Transactions in Foreign Currency.

The first step in the process of conversion of financial information of the operations is the determination of the functional currency, which is in first instance the currency of primary the economic surroundings of the foreign operation; nevertheless, despite the previous thing, the functional currency can differ from the premises or registry, in the measurement that this one does not represent the currency that fundamentally affects the cash flow of the operations abroad. The financial statements of the foreign subsidiaries were turned to Mexican pesos with the following procedure:

- Applying the prevailing exchange rate at the consolidated balance date for monetary assets and liabilities.

- Applying the prevailing historical exchange rate for nonmonetary assets and

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liabilities and for stockholders' equity accounts.

- Applying the prevailing the historical exchange rate at the consolidated balance sheet date for revenues and expenses during the reporting period
- The resulting effect of translation, the process of consolidation and to apply the participation method, is recorded in stockholders' equity under the accumulated effect by conversion forming part of the Comprehensive Income.

l. Geographic concentration of credit risk - The Company sells its products primarily to distributors for the construction industry with no specific geographic concentration. Additionally, no single customer accounted for a significant amount of the Company's sales, and there were no significant accounts receivable from a single customer or affiliate at December 31, 2008 sales to five customers accounted for approximately 34% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes and allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

m. Other income (expenses) - Other income (expenses) shown in the consolidated statements of operations primarily includes other financial operations.

### (2) Financial Debt:

As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882). As of December 31, 2007, Simec's total consolidated debt consisted of U.S. \$302,000 from 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2007 was U.S. \$363,703).

### (3) Commitments and contingent liabilities:

a. Pacific Steel, Inc. (a wholly-owned subsidiary located in the U.S.A.) has been named in various claims and suits relating to the generation, storage, transport, disposal and cleanup of materials classified as hazardous waste. The Company has accrued approximately Ps. 13,320 (U.S. \$983,875) at December 31, 2008, (included in accrued liabilities) relating to these actions; the reduction of this reserve from previous levels reflects clean-up activities undertaken by Simec. Management believes the ultimate liability with respect to this matter will not exceed the amounts that have been accrued.

b. The Company is subject to various other legal proceeding and claims, which have arisen, in the ordinary course of its business. It is the opinion of management that their ultimate resolution will not have a material adverse effect on the Company's consolidated financial position or consolidated results of operations.

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

RELATIONS OF SHARES INVESTMENTS

CONSOLIDATED



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COMPANY NAME	MAIN ACTIVITIES
SUBSIDIARIES	
Cia Siderurgica de Guadalajara	Sub-Holding
Simec International	Production and sales of steel prod
Arrendadora Simec	Production and sales of steel prod
Pacific Steel	Scrap purchase
Cia. Siderurgica del Pacifico	Rent of land
Coordinadora de Servicios Siderurgicos de Calidad	Administrative services
Comercializadora Simec	Sales of steel products
Industrias del Acero y del Alambre	Sales of steel products
Procesadora Mexicali	Scrap purchase
Servicios Simec	Administrative services
Sistemas de Transporte de Baja California	Freight services
Operadora de Metales	Administrative services
Operadora de Servicios Siderurgicos de Tlaxcala	Administrative services
Administradora de Servicios Siderurgicos de Tlaxcala	Administrative services
Operadora de Servicios de la Industria Siderurgica	Administrative services
SimRep	Sub-Holding
PAV Republic	Production and sales of steel prod
CSG Comercial	Sales of steel products
Comercializadora de Aceros de Tlaxcala	Sales of steel products
Siderurgica de Baja California	Sales of steel products
Corporacion Aceros DM	Production and sales of steel prod
Productos Siderurgicos Tlaxcala	Sales of steel products
Comercializadora MSAN	Sales of steel products
Comercializadora Aceros DM	Sales of steel products
Promotora de Aceros San Luis	Sales of steel products
TOTAL INVESTMENT IN SUBSIDIARIES	
ASSOCIATEDS	

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TOTAL INVESTMENT IN ASSOCIATEDS

OTHER PERMANENT INVESTMENTS

TOTAL

NOTES

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

CREDITS BREAK DOWN  
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

AUDITED

Credit Type / Institution	Amortization Date	Rate of Interest	Denominated in Pesos (Thousands of Pesos)					Denom	
			Time Interval						
			Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years or More	Current Year
BANKS									
GE Capital	20/05/2010	Libor + 0.25							
TOTAL BANKS			0	0	0	0	0	0	0
LISTED IN THE STOCK EXCHANGE									
UNSECURED DEBT									
Medium Term Notes	15/12/1998	9.33	0	0	0	0	0	0	0
TOTAL STOCK EXCHANGE			0	0	0	0	0	0	0

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SUPPLIERS

Various	0	443,522	0	0	0	0	0	2,9
TOTAL SUPPLIERS	0	443,522	0	0	0	0	0	2,9

OTHER LOANS  
WITH COST

TOTAL	0	0	0	0	0	0	0	
-------	---	---	---	---	---	---	---	--

OTHER CURRENT  
LIABILITIES  
WITHOUT COST

Various	0	737,785	0	0	0	0	0	8
TOTAL	0	737,785	0	0	0	0	0	8
TOTAL	0	1,181,307	0	0	0	0	0	3,7

NOTES: The exchange rate of the peso to the U.S. Dollar at December 31, 2008 was Ps. 13.5383

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

MONETARY FOREIGN CURRENCY POSITION  
(Thousands of Mexican Pesos)

CONSOLIDATED

AUDITED

FOREIGN CURRENCY POSITION	DOLLARS		OTHER CURR
	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS
TOTAL ASSETS	169,629	2,296,508	1
LIABILITIES POSITION	277,676	3,758,261	630
SHORT TERM LIABILITIES POSITION	277,676	3,758,261	630
LONG TERM LIABILITIES POSITION	0	0	0
NET BALANCE	(108,047)	(1,461,753)	(629)

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NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT DECEMBER 31, 2008 WAS  
PS. 13.5383

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QUARTER: 4 YEAR: 2008

DEBT INSTRUMENTS

CONSOLIDATED

AUDITED

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

MEDIUM TERM NOTES

- A) Current assets to current liabilities must be 1.0 times or more.
- B) Total liabilities to total assets do not be more than 0.60.
- C) Operating income plus items added to income which do not require using cash must be 2.0 times or more.

This notes was offered in the international market.

ACTUAL SITUATION OF FINANCIAL LIMITED

MEDIUM TERM NOTES

- A) Accomplished the actual situation is 2.45 times.
- B) Accomplished the actual situation is 0.29
- C) Accomplished the actual situation is 93.89

As of December 31, 2008, the remaining balance of the MTNs not exchanged amounts to Ps. 4,055 (\$302,000 dollars).

C.P. Jose Flores Flores  
Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE  
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QUARTER: 4 YEAR: 2008

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

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CONSOLIDATED

AUDITED

PLANT OR CENTER	ECONOMIC ACTIVITY	PLA CAPAC
GUADALAJARA MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	48
MEXICALI MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	25
INDUSTRIAS DEL ACERO Y DEL ALAMBRE	SALE OF STEEL PRODUCTS	
APIZACO AND CHOLULA PLANTS	PRODUCTION AND SALES OF STEEL PRODUCTS	46
CANTON CASTER FACILITY	PRODUCTION OF BILLET	1,3
LORAIN CASTER FACILITY	PRODUCTION OF BILLET	1,1
LORAIN HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	84
LACKAWANNA HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	60
MASSILLON COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	12
GARY COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	70
ONTARIO COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	60

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
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QUARTER: 4 YEAR: 2008

MAIN RAW MATERIALS

CONSOLIDATED

AUDITED

DOMESTIC	MAIN SUPPLIERS	FOREIGN	MAIN SUPPLIERS	DOMESTIC SUBSTITUTION	PR
PLANTS IN USA		SCRAP	VARIOUS	NO	
SCRAP	VARIOUS	PLANTS IN MEXICO		YES	
PLANTS IN USA		COKE	VARIOUS	NO	

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PLANTS IN USA		PELLETS	VARIOUS	NO
FERROALLOYS	VARIOUS	PLANTS IN MEXICO		YES
PLANTS IN USA		FERROALLOYS	VARIOUS	NO
ELECTRODES	VARIOUS	PLANTS IN MEXICO	VARIOUS	YES
PLANTS IN USA		ELECTRODES	VARIOUS	NO

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

DOMESTIC SALES

AUDITED

MAIN PRODUCTS	NET SALES		MAIN DESTINATION	
	VOLUME	AMOUNT	TRADEMARKS	CUSTOMERS
STRUCTURAL PROFILES	143	1,562,615		
COMMERCIAL PROFILES	55	601,003		
REBAR	378	3,638,583		
FLAT BAR	81	801,724		
STEEL BARS	304	3,264,473		
OTHER	4	224,466		
BILLET	26	210,347		
MALLA	17	178,614		
CASTILLOS	6	76,093		
ALAMBRON	15	155,756		
T O T A L		10,713,674		
FOREIGN SALES		24,471,546		
TOTAL		35,185,220		

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SALES

AUDITED

MAIN PRODUCTS	NET SALES		MAIN DESTINATION	
	VOLUME	AMOUNT	TRADEMARKS	CUSTOMERS
EXPORTS				
STRUCTURAL PROFILES	40	416,458		
COMMERCIAL PROFILES	21	203,603		
REBAR	89	769,551		
STEEL BARS	43	496,084		
FLAT BAR	15	180,986		
BILLET	0	0		
FOREIGN SUBSIDIARIES				
HOT-ROLLED BARS	944	12,754,052		
COLD-FINISHED BARS	131	2,390,303		
SEMI-FINISHED SEAMLESS TUBE ROUNDS	350	3,991,389		
OTHER SEMI-FINISHED TRADE PRODUCTS	262	3,269,120		
T O T A L		24,471,546		

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QUARTER: 4 YEAR: 2008

CONSTRUCTION IN PROGRESS

CONSOLIDATED

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AUDITED

THE PROJECTS IN PROGRESS AT DECEMBER 31, 2008, ARE:

PROJECTS IN PROGRESS	TOTAL INVESTMENT
PROJECTS IN REPUBLIC	195,561
PROJECTS IN MEXICALI	158,992
PROJECTS IN TLAXCALA	18,154
PROJECTS IN GUADALAJARA	10,674
PROJECTS IN SAN LUIS (GRUPO SAN)	3,216
	-----
TOTAL INVESTMENT AT DECEMBER 31, 2008	386,597
	-----

### MEXICAN STOCK EXCHANGE SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

### TRANSACTIONS IN FOREIGN CURRENCY AND CONVERSION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

INFORMATION RELATED TO BULLETIN B-15

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Foreign currency transactions and exchange differences - All transactions in foreign currency are recorded at the exchange rates prevailing on the date of their execution or liquidation. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing at the balance sheet date. Any exchange differences incurred with regard to assets or liabilities denominated in foreign currency are charged to operations of the period and are included in financial income (expense) in the accompanying consolidated statements of income (loss).

For consolidation purposes, the financial statements of the foreign subsidiaries, were translated into pesos in conformity with Mexican accounting Bulletin MFRS B-15, Transactions in Foreign Currency.

The first step in the process of conversion of financial information of the operations is the determination of the functional currency, which is in first instance the currency of primary the economic surroundings of the foreign operation; nevertheless, despite the previous thing, the functional currency can differ from the premises or registry, in the measurement that this one does not represent the currency that fundamentally affects the cash flow of the operations abroad. The financial statements of the foreign subsidiaries were turned to Mexican pesos with the following procedure:

- Applying the prevailing exchange rate at the consolidated balance date for assets and liabilities.
- Applying the prevailing historical exchange rate for stockholders' equity accounts.
- Applying the prevailing the historical exchange rate at the consolidated balance sheet date for revenues and expenses during the reporting period.



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- The resulting effect of translation, the process of consolidation and to apply the participation method, is recorded in stockholders' equity under the accumulated effect by conversion forming part of the Comprehensive Income.

MEXICAN STOCK EXCHANGE  
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QUARTER: 4 YEAR: 2008

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK  
CHARACTERISTICS OF THE SHARES

AUDITED

SERIES	NOMINAL VALUE	VALID COUPON	NUMBER OF SHARES			CAP (Thousa FIXED	
			FIXED PORTION	VARIABLE PORTION	MEXICAN		FREE SUBSCRIPTION
B			90,850,050	406,859,164	0	497,709,214	441,786
TOTAL			90,850,050	406,859,164	0	497,709,214	441,786

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF  
SENDING THE INFORMATION: 497,709,214

MEXICAN STOCK EXCHANGE  
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GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

CONSOLIDATED

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R20: PRO FORMA FINANCIAL INFORMATION

The following combined pro forma financial information (unaudited) is based on the Company's historical financial statements, adjusted to include the effects of the acquisition of Grupo San.

The pro forma information (unaudited) assumes that the acquisition was conducted at the beginning of 2008 and 2007, respectively, and is based on the available information and certain assumptions that management considered reasonable.

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The pro forma financial information (unaudited) is not intended to present the results of the consolidated operations had the acquisition occurred on such date, nor to anticipate the Company's results of operations.

	Year ended December 31, 2008	Year ended December 31, 2007
	-----	-----
Net sales	Ps. 37,870	Ps. 28,402
Marginal profit	6,302	4,587
Net income	Ps. 2,378	Ps. 1,867
	-----	-----
Earnings per share	4.90	3.99
	=====	=====

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2008

CONSOLIDATED

AUDITED

DECLARATION OF THE COMPANY OFFICIALS RESPONSIBLE FOR  
THE INFORMATION CONTAINED IN THIS REPORT.

LUIS GARCIA LIMON AND JOSE FLORES FLORES CERTIFY THAT BASED ON OUR KNOWLEDGE, THIS REPORT DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE HEREIN, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH SUCH STATEMENTS WERE MADE, NOT MISLEADING WITH RESPECT TO THE PERIOD COVERED BY THIS FOURTH QUARTER REPORT.

ING LUIS GARCIA LIMON  
CHIEF EXECUTIVE OFFICER

C.P. JOSE FLORES FLORES  
CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT MAY 6 OF 2009.