

GROUP SIMEC SA DE CV
Form 6-K
May 04, 2012

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 _____ Dec _____, 2011.

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

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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 04, 2012. By: /s/ Luis García Limón
Name: Luis García Limón
Title: Chief Executive Officer

GRUPO SIMEC ANNOUNCES RESULTS OF OPERATIONS AUDITED FOR THE YEAR OF 2011 AND 2010

GUADALAJARA, MEXICO, May 3, 2012- Grupo Simec, S.A.B. de C.V. (AMEX: SIM) (“Simec”) announced today its results of operations Audited for the twelve-month period ended December 31, 2011 and December 31, 2010.

Twelve-Month Period Ended December 31, 2011 compared to Twelve-Month Period Ended December 31, 2010

We reclassified indirect cost in 2010 from selling, general and administrative expenses to Inventories and Cost Sales according with the full cost, issued by the Mexican Financial Reporting Standards “MFRS” for purposes of comparability with 2011.

Net Sales

Net sales increased 19% by the combination of higher sales of Special Bars “SBQ”, shipments of finished steel products and the increase of the average sales price per ton of 17% compared versus the same period of 2010, the sale rose from Ps. 24,576 millions in the twelve-month period ended December 31, 2010 to Ps. 29,270 millions in the same period of 2011. Shipments of finished steel products increase 2% to 2 million 288 thousand tons in the twelve-month period ended December 31, 2011 compared to 2 million 241 thousand tons in the same period of 2010. Total sales outside of Mexico in the twelve-month period ended December 31, 2011 increased 14% to Ps. 15,654 million compared with Ps. 13,777 millions in the same period of 2010. Total sales in Mexico increased 26% from Ps. 10,799 millions in the twelve-month period ended December 31, 2010 to Ps. 13,616 millions in the same period of 2011. The increase in sales is due to an increase shipments during the twelve-month period ended December 31, 2011, compared to the same period in 2010 (47 thousand tons), increase in SBQ shipment in 193 thousand tons, and the increase of the average sales price of 17%.

Cost of Sales

Cost of sales increased 15% from Ps. 22,250 millions in the twelve-month period ended December 31, 2010 to Ps. 25,624 millions in the same period of 2011. Cost of sales as a percentage of net sales in the twelve months ended on December 31 of 2011 and 2010, cost of sales represented 88 and 91% respectively. The average cost of finished steel produced in the twelve-month period ended December 31, 2011 compared to the same period of 2010 increased approximately 13% by a higher of SBQ sales and increase of shipment.

Gross Profit

Gross profit of the Company in the twelve-month period ended December 30, 2011 was of Ps. 3,646 million compared to Ps. 2,326 millions in the same period of 2010. Gross profit as a percentage of net sales represented 12% and 9% in 2011 and 2010 respectively. The increase in the gross profit is attributed to an increase in the volume shipment, better blend of steel compared with the same period of 2010.

General, Sales and Administrative Expenses

Selling, general and administrative expenses decreased 9% from Ps. 1,152 millions in the twelve-month period ended December 31, 2010 to Ps. 1,054 millions in the same period of 2011, representing 4% and 5% respect of net sales in the twelve-month period ended December 2011 and 2010 respectively.

Operating Income

Operating income increased 121% from Ps. 1,174 million for the twelve-month period ended December 31, 2010 to Ps. 2,592 millions in the same period of 2011. Operating income as a percentage of net sales was 9% in the twelve-month period ended December 31, 2011 compared with 5% in the same period of 2010. The increase in operating income is due to an increase in shipments, increase in sales of SBQ and better average sales price per ton.

EBITDA

The EBITDA of the Company increase 58% from Ps. 2,272 millions in the twelve-month prior ended December 31, of 2010, to Ps.3,593 millions in the same period of 2011.

Comprehensive Financial Cost.

Comprehensive financial cost in the twelve-month period ended December 31, 2011 represented a net income of Ps. 584 million compared with a net expense of Ps. 207 millions in the same period of 2010. The net interest was an income of Ps 2 million in 2011 compared with a net interest of Ps. zero in the twelve-month period ended December 31, 2010. So it, we registered a net exchange gain net of Ps. 582 millions in the twelve-month period ended December 31, 2011 compared with a net exchange loss of Ps. 207 millions in the same period of 2010, reflecting a 13% decrease in the value of the peso versus the dollar in the twelve-month period ended December 31, 2011 compared to December 31, 2010.

Other Expenses (Income) net

The company recorded other net expenses of Ps. 186 millions in the twelve-month period ended December 31, 2010 for expenses incurred in the use of patent industrial compared to other expenses net of Ps. 114 millions in the same period of 2011.

Income Taxes

The Company have recorded an expense net income tax of Ps. 110 millions in the twelve-month period ended December 31, 2011 (including the income of income tax for Ps.87 million and the expense of deferred income tax of Ps. 197 millions) compared with an expense net of Ps. 112 millions in the same period of 2010 (including the income tax deferred of Ps. 47 millions).

Net Income (loss) (Before Non- controlling Interest)

As a result of the foregoing, net income increased of 341% from Ps. 669 millions in the twelve-month period ended December 31, 2010 to a net income of Ps. 2,952 millions in the same period of 2011.

Liquidity and Capital Resources

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As of December 31, 2011, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 4.2 millions (accrued interest on December 31, 2011 was U.S. \$472,824 or Ps. 6.6 millions). As of December 31, 2010, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 3.7 million (accrued interest on December 31, 2010 was U.S. \$445,914, or Ps. 5.5 millions).

Comparative fourth quarter 2011 vs third quarter 2011

Net Sales

Net sales increased 2% from Ps. 7,676 millions in the third quarter of 2011 to Ps. 7,836 million for the fourth quarter of 2011. Sales in tons decreased from 592 thousand ton in the third quarter of 2011 to 558 thousand ton in the fourth quarter of the same period a decrease of 6%. Total sales outside of Mexico for the fourth quarter of 2011 decreased 4% from Ps. 4,121 millions in the third quarter to Ps. 3,958 millions in the four quarter of 2011. Sales in Mexico rose to 3,878 million in the fourth quarter of 2011 compared Ps. 3,555 millions in the third quarter of 2011 an increase of 9%. Prices of finished products sold in the fourth quarter of 2011 increased approximately 8% compared to the third quarter of the same period.

Cost of Sales

Cost of sales was of Ps. 6,761 millions in the fourth quarter of 2011 compared to Ps. 6,789 millions for the third quarter of 2011. With respect to sales, in the fourth quarter of 2011, the cost of sales represented 86% for the fourth quarter of 2011 while for the third quarter of 2011 was of 88%. The average cost of sales by ton increased 6% in the fourth quarter of 2011 versus the third quarter of 2011.

Gross Profit

Gross profit of the Company for the fourth quarter of 2011 increased 21% to Ps.1,075 million compared to Ps. 887 millions in the third quarter of 2011. The gross profit as a percentage of net sales for the fourth quarter was of 14% and 12% for the third quarter of 2011.

General, Sales and Administrative Expenses

Selling, general and administrative expenses increased 49% to Ps. 360 millions in the fourth quarter of 2011 compared to Ps. 241 millions for the third quarter of 2011. Selling, general and administrative expenses as a percentage of net sales represented 5% during the fourth quarter of 2011 and 3% during the third quarter of 2011.

Operating Income

Operating income was of Ps 715 million in the fourth quarter of 2011 compared to an operating income of Ps. 646 millions in the third quarter of 2011. The operating income as a percentage of net sales in the fourth represented 9% and the third quarter of 2011 represented 8%.

Ebitda

The EBITDA in both quarter its similar from Ps. 940 millions in the third quarter of 2011 to Ps. 967 millions in the fourth quarter of the same period due to the above explained

Comprehensive Financial Income (Cost)

Comprehensive financial cost for the fourth quarter for 2011 was a net income of Ps. 260 million compared with a net income of Ps. 495 millions for the third quarter of 2011. The net interest income in the third quarter of 2011 was of Ps 3 million while in the fourth quarter was a net interest expenses of Ps. 5 millions. At the same time we registered an exchange net gain of Ps. 492 millions in the third quarter of 2011 compared with an exchange net gain of Ps. 265 millions in the fourth quarter of 2011.

Other Expenses (Income) net

The company recorded other net expense of Ps. 135 millions in the fourth quarter of 2011 compared to other net income of Ps. 30 millions for the third quarter of 2011.

Income Taxes

Income Taxes for the fourth quarter of 2011 had a net income tax of Ps. 335 million (including an income tax deferred for Ps. 150 millions) compared to an expense of Ps. 468 millions for the third quarter of 2011, (including an expense tax deferred of Ps. 386 millions).

Net Income (loss) (Before Non- controlling Interest)

As a result of the foregoing, the Company had a net income of Ps. 1,175 millions in the fourth quarter of 2011 compared to Ps. 704 million of net income in the third quarter of 2011.

Comparative fourth quarter 2011 vs fourth quarter 2010

Net Sales

Net sales increased 39% from Ps. 5,635 millions for the fourth quarter of 2010 to Ps. 7,836 million for the fourth quarter of 2011. Sales in tons of finished steel in the fourth quarter of 2010 were 522 thousand tons versus to 558 thousand tons in the fourth quarter of 2011. Total sales outside of Mexico increase 28% from Ps. 3,094 millions for the fourth quarter of 2010 to Ps. 3,958 millions in the fourth quarter of 2011. Sales in Mexico increase 53% from Ps. 2,541 millions in the fourth quarter of 2010 to Ps. 3,878 millions in the fourth quarter of 2011. The average sales prices of finished products sold in the fourth quarter of 2011 increased approximately 30% compared to the fourth quarter of 2010.

Cost of Sales

Cost of sales increased 32% from Ps. 5,140 millions in the fourth quarter of 2010 compared to Ps. 6,761 million for the fourth quarter of 2011. With respect to sales, in the fourth quarter of 2011, the cost of sales represented 86% compared to 91% for the fourth quarter of 2010. The average cost of raw materials used to produce steel products increased 23% in the fourth quarter of 2011 versus the fourth quarter of 2010.

Gross Profit

Gross profit for the fourth quarter of 2011 increased 117% from Ps. 495 millions in the fourth quarter of 2010 compared to an income of Ps. 1,075 millions in the fourth quarter of 2011. The gross profit as a percentage of net sales for the fourth quarter of 2011 was 14% compared with 9% for the fourth quarter of 2010.

General, Sales and Administrative Expenses

Selling, general and administrative expenses decreased 26% from Ps.487 million in the fourth quarter of 2010 compared to Ps. 360 millions for the fourth quarter of 2011. Selling, general and administrative expenses as a percentage of net sales represented 5% during the fourth quarter of 2011 and 9% during the fourth quarter of 2010.

Operating Income

Operating income was of Ps.715 million in the fourth quarter of 2011 compared with Ps. 8 millions in the fourth quarter of 2010. The operating income as a percentage of net sales in the fourth quarter of 2011 was 9% compared to 0.1% in the fourth quarter of 2010.

Ebitda

The EBITDA from the fourth quarter of 2011 increased 229% from Ps 294 million in the fourth quarter of 2010 to Ps 967 million in the fourth quarter of 2011.

Comprehensive Financial Income (Cost)

Comprehensive financial cost for the fourth quarter of 2011 was an income of Ps. 260 million compared with an expense of Ps 119 millions in the fourth quarter of 2010. Net interest expense was Ps. 5 millions in the fourth quarter of 2011 compared with a net income of Ps. 2 millions in the fourth quarter of 2010. At the same time we registered a net exchange gain of Ps. 265 millions in the fourth quarter of 2011 compared with an exchange loss of Ps. 121 millions in the fourth quarter of 2010.

Other Expenses (Income) net

The company recorded other net expense of Ps. 144 millions in the fourth quarter of 2010 for expenses incurred in the use of patent industrial compared with other expenses net of Ps. 135 million for the fourth quarter of 2011.

Income Taxes

The Company recorded an income taxes for the fourth quarter of 2011 was an income of Ps. 335 million (including an income of deferred income tax of Ps 150 millions), compared to a net expense of Ps. 48 millions for the fourth quarter of 2010, (including an income of deferred income tax of Ps. 46 millions).

Net Income (loss) (Before Minority Interest)

As a result of the foregoing, net income of Ps. 1,175 millions in the fourth quarter of 2011 compared to a loss of Ps. 303 million of net income in the fourth quarter of 2010.

| Millions of pesos | 2011 | | vs. 2010 |
|--|--|--|-------------|
| | Twelve months ended December 31, 2011 | Twelve months ended December 31, 2010 | |
| Sales | 29,270 | 24,576 | 19% |
| Cost of Sales | 25,624 | 22,250 | 15% |
| Marginal Profit | 3,646 | 2,326 | 57% |
| Operating Expenses | 1,054 | 1,152 | (9%) |
| Operating Income | 2,592 | 1,174 | 121% |
| EBITDA | 3,593 | 2,272 | 58% |
| Income before Non-Controlling Interest | 2,952 | 669 | 341% |
| Sales outside Mexico | 15,654 | 13,777 | 14% |
| Sales in México | 13,616 | 10,799 | 26% |
| Total sales (tons) | 2,288 | 2,241 | 2% |

| (Millions of pesos) | 4Q '11 | 3Q '11 | 4Q '10 | 4Q'11 vs 3Q'11 | 4Q'11 vs 4Q'10 |
|---|--------|--------|--------|-------------------|-------------------|
| Sales | 7,836 | 7,676 | 5,635 | 2% | 39% |
| Cost of Sales | 6,761 | 6,789 | 5,140 | 0% | 32% |
| Marginal Profit | 1,075 | 887 | 495 | 21% | 117% |
| Operating Expenses | 360 | 241 | 487 | 49% | (26%) |
| Operating Income | 715 | 646 | 8 | 11% | 8,838% |
| EBITDA | 967 | 940 | 294 | 3% | 229% |
| Income before Non. Controlling Interest | 1,175 | 704 | (303) | 67% | (488%) |
| Sales outside Mexico | 3,958 | 4,121 | 3,094 | (4%) | 28% |
| Sales in México | 3,878 | 3,555 | 2,541 | 9% | 53% |
| Total sales (tons) | 558 | 592 | 522 | (6%) | 7% |

| Product | Thousands of tons twelve months ended December 31, 2011 | Million of pesos twelve months ended December 31, 2011 | Average price per ton twelve months ended December 31, 2011 | Thousands of tons twelve months ended December 31, 2010 | Million of pesos twelve months ended December 31, 2010 | Average price per ton twelve months ended December 31, 2010 |
|------------------|---|--|---|---|--|---|
| SBQ | 1,380 | 19,659 | 14,246 | 1,187 | 15,194 | 12,800 |
| Light Structural | 908 | 9,611 | 10,585 | 1,054 | 9,382 | 8,901 |
| Total | 2,288 | 29,270 | 12,793 | 2,241 | 24,576 | 10,967 |

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| Product | Thousands | Millions | Average | Thousands | Millions | Average | Thousands | Millions | Average |
|------------------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|
| | of tons | of pesos | price per | of tons | of pesos | price per | tons | of pesos | price per |
| | 4Q '11 | 4Q'11 | ton 4Q'11 | 3Q '11 | 3Q'11 | ton 3Q'11 | 4Q'10 | 4Q'10 | ton 4Q'10 |
| SBQ | 318 | 5,011 | 15,758 | 344 | 5,038 | 14,645 | 261 | 3,187 | 12,211 |
| Light Structural | 240 | 2,825 | 11,771 | 248 | 2,638 | 10,637 | 261 | 2,448 | 9,379 |
| Total | 558 | 7,836 | 14,042 | 592 | 7,676 | 12,966 | 522 | 5,635 | 10,795 |

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** QUARTER: 4 YEAR: **2011**

GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT

AT DECEMBER 31 OF 2011 AND 2010

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT | PREVIOUS |
|-----|---|------------|----------------|
| S | | YEAR | YEAR |
| | | AMOUNT % | AMOUNT % |
| s01 | TOTAL ASSETS | 31,269,466 | 100 27,120,746 |
| s02 | CURRENT ASSETS | 16,200,861 | 52 13,410,752 |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 6,537,088 | 21 3,384,917 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 3,031,679 | 10 2,465,208 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE | 677,989 | 2 857,485 |
| s06 | INVENTORIES | 5,760,120 | 18 6,606,922 |
| s07 | OTHER CURRENT ASSETS | 193,985 | 1 96,220 |
| s08 | LONG-TERM | 0 | 0 0 |
| s09 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 0 | 0 0 |
| s10 | INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES | 0 | 0 0 |
| s11 | OTHER INVESTMENTS | 0 | 0 0 |
| s12 | PROPERTY, PLANT AND EQUIPMENT (NET) | 9,475,562 | 30 9,453,237 |
| s13 | LAND AND BULIDINGS | 4,171,787 | 13 3,800,468 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 13,935,986 | 45 13,111,559 |
| s15 | OTHER EQUIPMENT | 267,596 | 1 233,810 |
| s16 | ACCUMULATED DEPRECIATION | 8,977,962 | 29 8,180,035 |
| s17 | CONSTRUCTION IN PROGRESS | 78,155 | 0 487,435 |

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| | | | | | |
|------|---|------------|-----|------------|-----|
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 3,801,003 | 12 | 4,101,141 | 15 |
| s19 | OTHER ASSETS | 1,792,040 | 6 | 155,616 | 1 |
| s20 | TOTAL LIABILITIES | 7,000,643 | 100 | 6,662,996 | 100 |
| s21 | CURRENT LIABILITIES | 3,822,757 | 55 | 3,898,606 | 59 |
| s22 | SUPPLIERS | 2,294,701 | 33 | 2,162,801 | 32 |
| s23 | BANK LOANS | 0 | 0 | 0 | 0 |
| s24 | STOCK MARKET LOANS | 4,225 | 0 | 3,732 | 0 |
| s103 | OTHER LOANS WITH COST | 707,453 | 10 | 602,168 | 9 |
| s25 | TAXES PAYABLE | 246,247 | 4 | 434,220 | 7 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 570,131 | 8 | 695,685 | 10 |
| s27 | LONG-TERM LIABILITIES | 0 | 0 | 0 | 0 |
| s28 | BANK LOANS | 0 | 0 | 0 | 0 |
| s29 | STOCK MARKET LOANS | 0 | 0 | 0 | 0 |
| s30 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| s31 | DEFERRED LIABILITIES | 0 | 0 | 0 | 0 |
| s32 | OTHER NON-CURRENT LIABILITIES WITHOUT COST | 3,177,886 | 45 | 2,764,390 | 41 |
| s33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 24,268,823 | 100 | 20,457,750 | 100 |
| s34 | MINORITY INTEREST | 2,175,858 | 9 | 1,784,438 | 9 |
| s35 | MAJORITY INTEREST | 22,092,965 | 91 | 18,673,312 | 91 |
| s36 | CONTRIBUTED CAPITAL | 8,350,900 | 34 | 8,350,900 | 41 |
| S79 | CAPITAL STOCK | 4,142,696 | 17 | 4,142,696 | 20 |
| s39 | PREMIUM ON ISSUANCE OF SHARES | 4,208,204 | 17 | 4,208,204 | 21 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | EARNED CAPITAL | 13,742,065 | 57 | 10,322,412 | 50 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 12,942,705 | 53 | 9,979,248 | 49 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 799,360 | 3 | 343,164 | 2 |
| s80 | SHARES REPURCHASED | 0 | 0 | 0 | 0 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**

GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT | PREVIOUS | |
|------------|---|-----------------|-----------------|-----|
| S | | YEAR | YEAR | |
| | | AMOUNT % | AMOUNT % | |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 6,537,088 | 1003,384,917 | 100 |
| s46 | CASH | 1,495,928 | 23 769,399 | 23 |
| s47 | SHORT-TERM INVESTMENTS | 5,041,160 | 77 2,615,518 | 77 |
| s07 | OTHER CURRENT ASSETS | 193,985 | 10096,220 | 100 |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 0 | 0 |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 0 | 0 |
| s83 | OTHER | 193985 | 10096,220 | 100 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 3,801,003 | 1004,101,141 | 100 |
| s48 | DEFERRED EXPENSES | 1,848,171 | 49 2,275,568 | 55 |
| s49 | GOODWILL | 1,814,160 | 48 1,814,160 | 44 |
| s51 | OTHER | 138,672 | 4 11,413 | 0 |
| s19 | OTHER ASSETS | 1,792,040 | 100155,616 | 100 |
| s84 | INTANGIBLE ASSET FROM LABOR OBLIGATIONS | 0 | 0 0 | 0 |
| s85 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 0 | 0 |
| s50 | DEFERRED TAXES | 0 | 0 0 | 0 |
| s86 | DISCONTINUED OPERATIONS | 0 | 0 0 | 0 |
| s87 | OTHER | 1,792,040 | 100155,616 | 100 |
| s21 | CURRENT LIABILITIES | 3,822,757 | 1003,898,606 | 100 |
| s52 | FOREIGN CURRENCY LIABILITIES | 3,005,735 | 79 2,777,231 | 71 |
| s53 | MEXICAN PESOS LIABILITIES | 817,022 | 21 1,121,375 | 29 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 570,131 | 100695,685 | 100 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 35,456 | 6 79,708 | 11 |
| s89 | INTEREST LIABILITIES | 6,615 | 1 5,486 | 1 |

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| | | | | | |
|-----|--|-----------|--------------|-----------|-----|
| s68 | PROVISIONS | 0 | 0 | 0 | 0 |
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 528,060 | 93 | 610,491 | 88 |
| s27 | LONG-TERM LIABILITIES | 0 | 1000 | | 100 |
| s59 | FOREIGN CURRENCY LIABILITIES | 0 | 0 | 0 | 0 |
| s60 | MEXICAN PESOS LIABILITIES | 0 | 0 | 0 | 0 |
| s31 | DEFERRED LIABILITIES | 0 | 1000 | | 100 |
| s65 | NEGATIVE GOODWILL | 0 | 0 | 0 | 0 |
| s67 | OTHER | 0 | 0 | 0 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES WITHOUT COST | 3,177,886 | 1002,764,390 | | 100 |
| s66 | DEFERRED TAXES | 3,071,885 | 97 | 2,668,054 | 97 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 57,814 | 2 | 45,333 | 2 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 48,187 | 2 | 51,003 | 2 |
| s79 | CAPITAL STOCK | 4,142,696 | 1004,142,696 | | 100 |
| s37 | CAPITAL STOCK (NOMINAL) | 2,420,230 | 58 | 2,420,230 | 58 |
| s69 | RESTATEMENT OF CAPITAL STOCK | 1,722,466 | 42 | 1,722,466 | 42 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**

GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT | PREVIOUS |
|------------|---|-----------------|-------------------|
| S | | YEAR | YEAR |
| | | AMOUNT % | AMOUNT % |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 12,942,705 | 1009,979,248 100 |
| s93 | LEGAL RESERVE | 0 | 0 0 |
| s43 | RESERVE FOR REPURCHASE OF SHARES | 200,612 | 2 200,612 2 |
| s94 | OTHER RESERVES | 0 | 0 0 |
| s95 | RETAINED EARNINGS | 9,879,666 | 76 8,875,093 89 |
| s45 | NET INCOME FOR THE YEAR | 2,862,427 | 22 903,543 9 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 799,360 | 100 343,164 100 |
| s70 | ACCUMULATED MONETARY RESULT | 0 | 0 0 |
| s71 | RESULT FROM HOLDING NON-MONETARY ASSETS | 0 | 0 0 |
| s96 | CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION | 824,805 | 103 406,513 118 |
| s97 | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | (25,445) | (3) (63,349) (18) |
| s98 | CUMULATIVE EFFECT OF DEFERRED INCOME TAXES | 0 | 0 0 |
| s99 | LABOR OBLIGATION ADJUSTMENT | 0 | 0 0 |
| s100 | OTHER | 0 | 0 0 |

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
 GRUPO SIMEC, S.A. DE C.V.

BALANCE SHEETS

OTHER CONCEPTS

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT YEAR PREVIOUS YEAR | |
|------------|--|-----------------------------------|---------------|
| | | AMOUNT | AMOUNT |
| S | | | |
| S72 | WORKING CAPITAL | 12,378,104 | 9,512,146 |
| S73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| S74 | EXECUTIVES (*) | 54 | 54 |
| S75 | EMPLOYERS (*) | 1,519 | 1,443 |
| S76 | WORKERS (*) | 3,113 | 2,864 |
| S77 | COMMON SHARES (*) | 497,709,214 | 497,709,214 |
| S78 | REPURCHASED SHARES (*) | 0 | 0 |
| S101 | RESTRICTED CASH | 0 | 0 |
| S102 | NET DEBT OF NON CONSOLIDATED COMPANIES | 707,453 | 602,168 |

(*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF INCOME

FROM JANUARY 1 TO DECEMBER 31 OF 2011 AND 2010

(thousands of Mexican pesos)

| REF | CATEGORIES | CURRENT | | PREVIOUS | |
|-----|--|------------|------|------------|------|
| | | YEAR | YEAR | YEAR | YEAR |
| R | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 29,270,498 | 100 | 24,576,436 | 100 |
| r02 | COST OF SALES | 25,624,612 | 88 | 20,529,666 | 84 |
| r03 | GROSS PROFIT | 3,645,886 | 12 | 4,046,770 | 16 |
| r04 | OPERATING EXPENSES | 1,054,152 | 4 | 2,961,944 | 12 |
| r05 | OPERATING INCOME | 2,591,734 | 9 | 1,084,826 | 4 |
| r08 | OTHER INCOME AND (EXPENSE), NET | (113,706) | 0 | (186,078) | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | 584,040 | 2 | (207,497) | 0 |
| r12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES | 0 | 0 | 0 | 0 |
| r48 | NON ORDINARY ITEMS | 0 | 0 | 0 | 0 |
| r09 | INCOME BEFORE INCOME TAXES | 3,062,068 | 10 | 691,251 | 3 |
| r10 | INCOME TAXES | 109,837 | 0 | 86,314 | 0 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 2,952,231 | 10 | 604,937 | 2 |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| r18 | NET CONSOLIDATED INCOME | 2,952,231 | 10 | 604,937 | 2 |
| r19 | NET INCOME OF MINORITY INTEREST | 89,804 | 0 | (298,606) | (1) |
| r20 | NET INCOME OF MAJORITY INTEREST | 2,862,427 | 10 | 903,543 | 4 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF INCOME**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT | | PREVIOUS | |
|-----|-------------------------------------|------------|------|------------|------|
| | | YEAR | YEAR | YEAR | YEAR |
| R | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 29,270,498 | 100 | 24,576,436 | 100 |
| r21 | DOMESTIC | 13,616,862 | 47 | 10,799,739 | 44 |
| r22 | FOREIGN | 15,653,636 | 53 | 13,776,697 | 56 |
| r23 | TRANSLATED INTO DOLLARS (***) | 1,118,884 | 4 | 1,114,881 | 5 |
| r08 | OTHER INCOME AND (EXPENSE), NET | (113,706) | 100 | (186,078) | 100 |
| r49 | OTHER INCOME AND (EXPENSE), NET | (113,706) | 100 | (186,078) | 100 |
| r34 | EMPLOYEES' PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| r35 | DEFERRED EMPLOYEES' PROFIT SHARING | 0 | 0 | 0 | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | 584,040 | 100 | (207,497) | 100 |
| r24 | INTEREST EXPENSE | 23,725 | 4 | 12,315 | (6) |
| r42 | GAIN (LOSS) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 26,135 | 4 | 12,058 | (6) |
| r46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| r25 | FOREIGN EXCHANGE GAIN (LOSS), NET | 581,630 | 100 | (207,240) | 100 |
| r28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| r10 | INCOME TAXES | 109,837 | 100 | 86,314 | 100 |
| r32 | INCOME TAX | (86,837) | (79) | 158,043 | 183 |
| r33 | DEFERRED INCOME TAX | 196,674 | 179 | (71,729) | (83) |

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
 GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF INCOME

OTHER CONCEPTS

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------|---|---------------------|----------------------|
| R | | AMOUNT | AMOUNT |
| r36 | TOTAL SALES | 29,554,022 | 25,795,696 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |
| r38 | NET SALES (**) | 29,270,498 | 24,576,436 |
| r39 | OPERATION INCOME (**) | 2,591,734 | 1,084,826 |
| r40 | NET INCOME OF MAJORITY INTEREST (**) | 2,862,427 | 903,543 |
| r41 | NET CONSOLIDATED INCOME (**) | 2,952,231 | 604,937 |
| r47 | OPERATIVE DEPRECIATION AND AMORTIZATION | 1,001,098 | 1,098,208 |

(**) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

QUARTERLY STATEMENTS OF INCOME

FROM OCTOBER 1 TO DECEMBER 31 OF 2011 AND 2010

(thousands of Mexican pesos)

| REF | CATEGORIES | CURRENT | PREVIOUS |
|------------|--|----------------|-------------------|
| R | | YEAR | YEAR |
| | | AMOUNT% | AMOUNT% |
| r01 | NET SALES | 7,836,347 | 100 5,634,869 100 |
| r02 | COST OF SALES | 6,761,453 | 86 4,246,443 75 |
| r03 | GROSS PROFIT | 1,074,894 | 14 1,388,426 25 |
| r04 | OPERATING EXPENSES | 360,132 | 5 1,403,034 25 |
| r05 | OPERATING INCOME | 714,762 | 9 (14,608) 0 |
| r08 | OTHER INCOME AND (EXPENSE), NET | (135,443) | (2) (144,180) (3) |
| r06 | COMPREHENSIVE FINANCING RESULT | 260,516 | 3 (119,345) (2) |
| r12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES | 0 | 0 0 0 |
| r48 | NON ORDINARY ITEMS | 0 | 0 0 0 |
| r09 | INCOME BEFORE INCOME TAXES | 839,835 | 11 (278,133) (5) |
| r10 | INCOME TAXES | (335,171) | (4) 41,678 1 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 1,175,006 | 15 (319,811) (6) |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 0 0 |
| r18 | NET CONSOLIDATED INCOME | 1,175,006 | 15 (319,811) (6) |
| r19 | NET INCOME OF MINORITY INTEREST | (41,367) | 0 (154,611) (3) |
| r20 | NET INCOME OF MAJORITY INTEREST | 1,216,373 | 16 (165,200) (3) |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**

GRUPO SIMEC, S.A.B. DE C.V.

QUARTERLY STATEMENTS OF INCOME**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT | PREVIOUS | | |
|------------|-------------------------------------|-----------------|-----------------|-----------|-------|
| R | | YEAR | YEAR | | |
| | | AMOUNT % | AMOUNT % | | |
| rt01 | NET SALES | 7,836,347 | 100 | 5,634,869 | 100 |
| rt21 | DOMESTIC | 3,878,375 | 49 | 2,540,761 | 45 |
| rt22 | FOREIGN | 3,957,972 | 51 | 3,094,108 | 55 |
| rt23 | TRANSLATED INTO DOLLARS (***) | 280,740 | 4 | 250,391 | 4 |
| rt08 | OTHER INCOME AND (EXPENSE), NET | (135,443) | 100 | (144,180) | 100 |
| rt49 | OTHER INCOME AND (EXPENSE), NET | (135,443) | 100 | (144,180) | 100 |
| rt34 | EMPLOYEES' PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| rt35 | DEFERRED EMPLOYEES' PROFIT SHARING | 0 | 0 | 0 | 0 |
| rt06 | COMPREHENSIVE FINANCING RESULT | 260,516 | 100 | (119,345) | 100 |
| rt24 | INTEREST EXPENSE | 13,973 | 5 | 1,910 | (2) |
| rt42 | GAIN (LOSS) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 9,158 | 4 | 3,899 | (3) |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE GAIN (LOSS), NET | 265,331 | 102 | (121,334) | 102 |
| rt28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| rt10 | INCOME TAXES | (335,171) | 100 | 41,678 | 100 |
| rt32 | INCOME TAX | (185,244) | 55 | 94,584 | 227 |
| rt33 | DEFERRED INCOME TAX | (149,927) | 45 | (52,906) | (127) |

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

QUARTERLY STATEMENTS OF INCOME

OTHER CONCEPTS

(thousands of Mexican pesos)

| REF | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------|---|---------------------|----------------------|
| RT | | AMOUNT | AMOUNT |
| rt47 | OPERATIVE DEPRECIATION AND AMORTIZATION | 251,776 | 317,970 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

STATE OF CASH FLOW DIRECT METHOD)

FROM JANUARY 1 TO DECEMBER 31 OF 2011 AND 2010

(thousands of pesos)

| REF C | CONCEPTS | CURRENT YEARPREVIOUS YEAR | |
|----------|--|---------------------------|------------------|
| | | AMOUNT | AMOUNT |
| | ACTIVITIES OF OPERATION | | |
| e01 | INCOME (LOSS) BEFORE INCOME TAXES | 3,062,068 | 691,251 |
| e02 | + (-) ITEMS NOT REQUIRING CASH | 0 | 0 |
| e03 | + (-) ITEMS RELATED TO INVESTING ACTIVITIES | 449,704 | 1,100,764 |
| e04 | + (-) ITEMS RELATED TO FINANCING ACTIVITIES | 23,725 | 13,916 |
| e05 | CASH FLOW BEFORE INCOME TAX | 3,535,497 | 1,805,931 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (581,223) | 420,694 |
| e07 | CASH FLOW PROVIDED OF OPERATING ACTIVITIES | 2,954,274 | 2,226,625 |
| | INVESTMENT ACTIVITIES | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (440,065) | (678,929) |
| e09 | CASH FLOW AFTER INVESTING ACTIVITIES | 2,514,209 | 1,547,696 |
| | FINANCING ACTIVITIES | | |
| e10 | NET CASH FROM FINANCING ACTIVITIES | 13 | (140,079) |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 2,514,222 | 1,407,617 |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS | 637,949 | 28,400 |
| e13 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 3,384,917 | 1,948,900 |
| e14 | CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 6,537,088 | 3,384,917 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

STATE OF CASH FLOW (INDIRECT METHOD)**BREAKDOWN OF MAIN CONCEPTS**

(thousands of pesos)

| REF | | CURRENT | PREVIOUS |
|------------|---|----------------|-----------------|
| C | CONCEPTS | YEAR | YEAR |
| | | AMOUNT | AMOUNT |
| e02 | + (-) ITEMS NOT REQUIRING CASH | 0 | 0 |
| e15 | + ESTIMATES FOR THE PERIOD | 0 | 0 |
| e16 | + PROVISIONS FOR THE PERIOD | 0 | 0 |
| e17 | + (-) OTHER UNREALIZED ITEMS | 0 | 0 |
| e03 | + (-) ITEMS RELATED TO INVESTING ACTIVITIES | 449,704 | 1,100,764 |
| e18 | + DEPRECIATION AND AMORTIZATION FOR THE PERIOD | 1,001,098 | 1,098,208 |
| e19 | (-) + GAIN OR LOSS ON SALE PROPERTY, PLANT AND EQUIPMENT | 0 | 0 |
| e20 | + IMPAIRMENT LOSS | 0 | 0 |
| e21 | (-) + EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES | 0 | 0 |
| e22 | (-) DIVIDENDS RECEIVED | 0 | 0 |
| e23 | (-) INTEREST INCOME | (26,135) | (12,058) |
| e24 | (-) + OTHER ITEMS | (525,259) | 14,614 |
| e04 | + (-) ITEMS RELATED TO FINANCING ACTIVITIES | 23,725 | 13,916 |
| e25 | + ACCRUED INTEREST | 23,725 | 13,916 |
| e26 | + (-) OTHER ITEMS | 0 | 0 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (581,223) | 420,694 |
| e27 | + (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE | (431,775) | (336,840) |
| e28 | + (-) DECREASE (INCREASE) IN INVENTORIES | 15,095 | (86,034) |
| e29 | + (-) DECREASE (INCREASE) IN IN OTHER ACCOUNT RECEIVABLES | 365,017 | 267,744 |
| e30 | + (-) INCREASE DECREASE IN SUPPLIERS | (45,518) | 331,836 |
| e31 | + (-) INCREASE DECREASE IN OTHER LIABILITIES | (477,120) | (79,386) |

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| | | | |
|-----|---|-----------|-----------|
| e32 | + (-) INCOME TAXES PAID OR RETURNED | (6,922) | 323,374 |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (440,065) | (678,929) |
| e33 | (-) PERMANENT INVESTMENT IN SHARES | 0 | (187,433) |
| e34 | + DISPOSITION OF PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e35 | (-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT | (432,000) | (496,361) |
| e36 | + SALE OF PROPERTY PLANT AND EQUIPMENT | 0 | 0 |
| e37 | (-) INVESTMENT IN INTANGIBLE ASSETS | 0 | 0 |
| e38 | + DISPOSITION OF INTANGIBLE ASSETS | 0 | 0 |
| e39 | + OTHER PERMANENT INVESTMENTS | 0 | 0 |
| e40 | + DISPOSITION OF OTHER PERMANENT INVESTMENTS | 0 | 0 |
| e41 | + DIVIDEND RECEIVED | 0 | 0 |
| e42 | + INTEREST RECEIVED | 26,135 | 12,058 |
| e43 | + (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS | 0 | 0 |
| e44 | + (-) OTHER ITEMS | (34,200) | (7,193) |
| e10 | NET CASH FROM FINANCING ACTIVITIES | 13 | (140,079) |
| e45 | + BANK FINANCING | 0 | 0 |
| e46 | + STOCK MARKET FINANCING | 0 | 0 |
| e47 | + OTHER FINANCING | 74,963 | 323,720 |
| e48 | (-) BANK FINANCING AMORTIZATION | 0 | (8,656) |
| e49 | (-) STOCK MARKET FINANCING AMORTIZATION | 0 | 0 |
| e50 | (-) OTHER FINANCING AMORTIZATION | (51,225) | (442,688) |
| e51 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK | 0 | 0 |
| e52 | (-) DIVIDENDS PAID | 0 | 0 |
| e53 | + PREMIUM ON ISSUANCE OF SHARES | 0 | 0 |
| e54 | + CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 |
| e55 | (-) INTEREST EXPENSE | (23,725) | (12,455) |
| e56 | (-) REPURCHASE OF SHARES | 0 | 0 |
| e57 | + (-) OTHER ITEMS | 0 | 0 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

DATE PER SHARE

CONSOLIDATED

| REF | QUARTER OF | QUARTER OF |
|---|----------------|----------------|
| CATEGORIES | PRESENT | PREVIOUS |
| D | FINANCIAL YEAR | FINANCIAL YEAR |
| d01 BASIC PROFIT PER ORDINARY SHARE (**) | \$ 5.75 | \$ 1.81 |
| d02 BASIC PROFIT PER PREFERRED SHARE (**) | \$ 0.00 | \$ 0.00 |
| d03 DILUTED PROFIT PER ORDINARY SHARE (**) | \$ 0.00 | \$ 0.00 |
| d04 EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**) | \$ 5.75 | \$ 1.81 |
| d05 DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**) | \$ 0.00 | \$ 0.00 |
| d08 CARRYING VALUE PER SHARE | \$ 44.39 | \$ 37.52 |
| d09 CASH DIVIDEND ACCUMULATED PER SHARE | \$ 0.00 | \$ 0.00 |
| d10 DIVIDEND IN SHARES PER SHARE | 0.00 shares | 0.00 shares |
| d11 MARKET PRICE TO CARRYING VALUE | 0.69 times | 0.79 times |
| d12 MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE | 5.84 times | 17.93 times |
| d13 MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**) | 0.00 times | 0.00 times |

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

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

RATIOS

CONSOLIDATED

| REF | CATEGORIES | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|------------|---|---|--|
| | YIELD | | |
| p01 | NET INCOME TO NET SALES | 10.09% | 2.46% |
| p02 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 12.16% | 2.96% |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 9.44% | 2.23% |
| p04 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 0.00% | 0.00% |
| p05 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 0.00% | 0.00% |
| | ACTIVITY | | |
| p06 | NET SALES TO NET ASSETS (**) | 0.94 times | 0.91 times |
| p07 | NET SALES TO FIXED ASSETS (**) | 3.09 times | 2.60 times |
| p08 | INVENTORIES TURNOVER (**) | 4.45 times | 3.11 times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 32 days | 31 days |
| p10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**) | 3.33% | 2.03% |
| | LEVERAGE | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 22.39% | 24.57% |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 0.29 times | 0.33 times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 42.94% | 41.68% |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 0.00% | 0.00% |
| p15 | OPERATING INCOME TO INTEREST PAID | 109.24 times | 88.09 times |

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| | | | |
|-----|--|------------|------------|
| p16 | NET SALES TO TOTAL LIABILITIES (**) | 4.18 times | 3.69 times |
| | LIQUIDITY | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 4.24 times | 3.44 times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 2.73 times | 1.75 times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 2.31 times | 2.01 times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 171.00% | 86.82% |

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 **YEAR: 2011**
GRUPO SIMEC, S.A.B. DE C.V.

DIRECTOR REPORT

GRUPO SIMEC ANNOUNCES RESULTS OF OPERATIONS AUDITED FOR THE YEAR OF 2011 AND 2010

GUADALAJARA, MEXICO, May 4, 2012- Grupo Simec, S.A.B. de C.V. (AMEX: SIM) (“Simec”) announced today its results of operations Audited for the twelve-month period ended December 31, 2011 and December 31, 2010.

Twelve-Month Period Ended December 31, 2011 compared to Twelve-Month Period Ended December 31, 2010

We reclassified indirect cost in 2010 from selling, general and administrative expenses to Inventories and Cost Sales according with the full cost, issued by the Mexican Financial Reporting Standards “MFRS” for purposes of comparability with 2011.

Net Sales

Net sales increased 19% by the combination of higher sales of Special Bars “SBQ”, shipments of finished steel products and the increase of the average sales price per ton of 17% compared versus the same period of 2010, the sale rose from Ps. 24,576 millions in the twelve-month period ended December 31, 2010 to Ps. 29,270 millions in the same period of 2011. Shipments of finished steel products increase 2% to 2 million 288 thousand tons in the twelve-month period ended December 31, 2011 compared to 2 million 241 thousand tons in the same period of 2010. Total sales outside of Mexico in the twelve-month period ended December 31, 2011 increased 14% to Ps. 15,654 million compared with Ps. 13,777 millions in the same period of 2010. Total sales in Mexico increased 26% from Ps. 10,799 millions in the twelve-month period ended December 31, 2010 to Ps. 13,616 millions in the same period of 2011. The increase in sales is due to an increase shipments during the twelve-month period ended December 31, 2011, compared to the same period in 2010 (47 thousand tons), increase in SBQ shipment in 193 thousand tons, and the increase of the average sales price of 17%.

Cost of Sales

Cost of sales increased 15% from Ps. 22,250 millions in the twelve-month period ended December 31, 2010 to Ps. 25,624 millions in the same period of 2011. Cost of sales as a percentage of net sales in the twelve months ended on December 31 of 2011 and 2010, cost of sales represented 88 and 91% respectively. The average cost of finished steel produced in the twelve-month period ended December 31, 2011 compared to the same period of 2010 increased approximately 13% by a higher of SBQ sales and increase of shipment.

Gross Profit

Gross profit of the Company in the twelve-month period ended December 30, 2011 was of Ps. 3,646 million compared to Ps. 2,326 millions in the same period of 2010. Gross profit as a percentage of net sales represented 12% and 9% in 2011 and 2010 respectively. The increase in the gross profit is attributed to an increase in the volume shipment, better blend of steel compared with the same period of 2010.

General, Sales and Administrative Expenses

Selling, general and administrative expenses decreased 9% from Ps. 1,152 millions in the twelve-month period ended December 31, 2010 to Ps. 1,054 millions in the same period of 2011, representing 4% and 5% respect of net sales in the twelve-month period ended December 2011 and 2010 respectively.

Operating Income

Operating income increased 121% from Ps. 1,174 million for the twelve-month period ended December 31, 2010 to Ps. 2,592 millions in the same period of 2011. Operating income as a percentage of net sales was 9% in the twelve-month period ended December 31, 2011 compared with 5% in the same period of 2010. The increase in operating income is due to an increase in shipments, increase in sales of SBQ and better average sales price per ton.

EBITDA

The EBITDA of the Company increase 58% from Ps. 2,272 millions in the twelve-month prior ended December 31, of 2010, to Ps.3,593 millions in the same period of 2011.

Comprehensive Financial Cost.

Comprehensive financial cost in the twelve-month period ended December 31, 2011 represented a net income of Ps. 584 million compared with a net expense of Ps. 207 millions in the same period of 2010. The net interest was an income of Ps 2 million in 2011 compared with a net interest of Ps. zero in the twelve-month period ended December 31, 2010. So it, we registered a net exchange gain net of Ps. 582 millions in the twelve-month period ended December 31, 2011 compared with a net exchange loss of Ps. 207 millions in the same period of 2010, reflecting a 13% decrease in the value of the peso versus the dollar in the twelve-month period ended December 31, 2011 compared to December 31, 2010.

Other Expenses (Income) net

The company recorded other net expenses of Ps. 186 millions in the twelve-month period ended December 31, 2010 for expenses incurred in the use of patent industrial compared to other expenses net of Ps. 114 millions in the same period of 2011.

Income Taxes

The Company have recorded an expense net income tax of Ps. 110 millions in the twelve-month period ended December 31, 2011 (including the income of income tax for Ps.87 million and the expense of deferred income tax of Ps. 197 millions) compared with an expense net of Ps. 112 millions in the same period of 2010 (including the income tax deferred of Ps. 47 millions).

Net Income (loss) (Before Non- controlling Interest)

As a result of the foregoing, net income increased of 341% from Ps. 669 millions in the twelve-month period ended December 31, 2010 to a net income of Ps. 2,952 millions in the same period of 2011.

Liquidity and Capital Resources

As of December 31, 2011, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 4.2 millions (accrued interest on December 31, 2011 was U.S. \$472,824 or Ps. 6.6 millions). As of December 31, 2010, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 3.7 million (accrued interest on December 31, 2010 was U.S. \$445,914, or Ps. 5.5 millions).

Comparative fourth quarter 2011 vs third quarter 2011

Net Sales

Net sales increased 2% from Ps. 7,676 millions in the third quarter of 2011 to Ps. 7,836 million for the fourth quarter of 2011. Sales in tons decreased from 592 thousand ton in the third quarter of 2011 to 558 thousand ton in the fourth quarter of the same period a decrease of 6%. Total sales outside of Mexico for the fourth quarter of 2011 decreased 4% from Ps. 4,121 millions in the third quarter to Ps. 3,958 millions in the fourth quarter of 2011. Sales in Mexico rose to 3,878 million in the fourth quarter of 2011 compared Ps. 3,555 millions in the third quarter of 2011 an increase of 9%. Prices of finished products sold in the fourth quarter of 2011 increased approximately 8% compared to the third quarter of the same period.

Cost of Sales

Cost of sales was of Ps. 6,761 millions in the fourth quarter of 2011 compared to Ps. 6,789 millions for the third quarter of 2011. With respect to sales, in the fourth quarter of 2011, the cost of sales represented 86% for the fourth quarter of 2011 while for the third quarter of 2011 was of 88%. The average cost of sales by ton increased 6% in the fourth quarter of 2011 versus the third quarter of 2011.

Gross Profit

Gross profit of the Company for the fourth quarter of 2011 increased 21% to Ps.1,075 million compared to Ps. 887 millions in the third quarter of 2011. The gross profit as a percentage of net sales for the fourth quarter was of 14% and 12% for the third quarter of 2011.

General, Sales and Administrative Expenses

Selling, general and administrative expenses increased 49% to Ps. 360 millions in the fourth quarter of 2011 compared to Ps. 241 millions for the third quarter of 2011. Selling, general and administrative expenses as a percentage of net sales represented 5% during the fourth quarter of 2011 and 3% during the third quarter of 2011.

Operating Income

Operating income was of Ps 715 million in the fourth quarter of 2011 compared to an operating income of Ps. 646 millions in the third quarter of 2011. The operating income as a percentage of net sales in the fourth represented 9% and the third quarter of 2011 represented 8%.

Ebitda

The EBITDA in both quarter its similar from Ps. 940 millions in the third quarter of 2011 to Ps. 967 millions in the fourth quarter of the same period due to the above explained

Comprehensive Financial Income (Cost)

Comprehensive financial cost for the fourth quarter for 2011 was a net income of Ps. 260 million compared with a net income of Ps. 495 millions for the third quarter of 2011. The net interest income in the third quarter of 2011 was of Ps 3 million while in the fourth quarter was a net interest expenses of Ps. 5 millions. At the same time we registered an exchange net gain of Ps. 492 millions in the third quarter of 2011 compared with an exchange net gain of Ps. 265 millions in the fourth quarter of 2011.

Other Expenses (Income) net

The company recorded other net expense of Ps. 135 millions in the fourth quarter of 2011 compared to other net income of Ps. 30 millions for the third quarter of 2011.

Income Taxes

Income Taxes for the fourth quarter of 2011 had a net income tax of Ps. 335 million (including an income tax deferred for Ps. 150 millions) compared to an expense of Ps. 468 millions for the third quarter of 2011, (including an expense tax deferred of Ps. 386 millions).

Net Income (loss) (Before Non- controlling Interest)

As a result of the foregoing, the Company had a net income of Ps. 1,175 millions in the fourth quarter of 2011 compared to Ps. 704 million of net income in the third quarter of 2011.

Comparative fourth quarter 2011 vs fourth quarter 2010

Net Sales

Net sales increased 39% from Ps. 5,635 millions for the fourth quarter of 2010 to Ps. 7,836 million for the fourth quarter of 2011. Sales in tons of finished steel in the fourth quarter of 2010 were 522 thousand tons versus to 558 thousand tons in the fourth quarter of 2011. Total sales outside of Mexico increase 28% from Ps. 3,094 millions for the fourth quarter of 2010 to Ps. 3,958 millions in the fourth quarter of 2011. Sales in Mexico increase 53% from Ps. 2,541 millions in the fourth quarter of 2010 to Ps. 3,878 millions in the fourth quarter of 2011. The average sales prices of finished products sold in the fourth quarter of 2011 increased approximately 30% compared to the fourth quarter of 2010.

Cost of Sales

Cost of sales increased 32% from Ps. 5,140 millions in the fourth quarter of 2010 compared to Ps. 6,761 million for the fourth quarter of 2011. With respect to sales, in the fourth quarter of 2011, the cost of sales represented 86% compared to 91% for the fourth quarter of 2010. The average cost of raw materials used to produce steel products increased 23% in the fourth quarter of 2011 versus the fourth quarter of 2010.

Gross Profit

Gross profit for the fourth quarter of 2011 increased 117% from Ps. 495 millions in the fourth quarter of 2010 compared to an income of Ps. 1,075 millions in the fourth quarter of 2011. The gross profit as a percentage of net sales for the fourth quarter of 2011 was 14% compared with 9% for the fourth quarter of 2010.

General, Sales and Administrative Expenses

Selling, general and administrative expenses decreased 26% from Ps.487 million in the fourth quarter of 2010 compared to Ps. 360 millions for the fourth quarter of 2011.Selling, general and administrative expenses as a percentage of net sales represented 5% during the fourth quarter of 2011 and 9% during the fourth quarter of 2010.

Operating Income

Operating income was of Ps.715 million in the fourth quarter of 2011 compared with Ps. 8 millions in the fourth quarter of 2010. The operating income as a percentage of net sales in the fourth quarter of 2011 was 9% compared to 0.1% in the fourth quarter of 2010.

Ebitda

The EBITDA from the fourth quarter of 2011 increased 229% from Ps 294 million in the fourth quarter of 2010 to Ps 967 million in the fourth quarter of 2011.

Comprehensive Financial Income (Cost)

Comprehensive financial cost for the fourth quarter of 2011 was an income of Ps. 260 million compared with an expense of Ps 119 millions in the fourth quarter of 2010. Net interest expense was Ps. 5 millions in the fourth quarter of 2011 compared with a net income of Ps. 2 millions in the fourth quarter of 2010. At the same time we registered a net exchange gain of Ps. 265 millions in the fourth quarter of 2011 compared with an exchange loss of Ps. 121 millions in the fourth quarter of 2010.

Other Expenses (Income) net

The company recorded other net expense of Ps. 144 millions in the fourth quarter of 2010 for expenses incurred in the use of patent industrial compared with other expenses net of Ps. 135 million for the fourth quarter of 2011.

Income Taxes

The Company recorded an income taxes for the fourth quarter of 2011 was an income of Ps. 335 million (including an income of deferred income tax of Ps 150 millions), compared to a net expense of Ps. 48 millions for the fourth quarter of 2010, (including an income of deferred income tax of Ps. 46 millions).

Net Income (loss) (Before Minority Interest)

As a result of the foregoing, net income of Ps. 1,175 millions in the fourth quarter of 2011 compared to a loss of Ps. 303 million of net income in the fourth quarter of 2010.

| Millions of pesos | Twelve months | | 2011 |
|--|----------------|---------------------|------|
| | ended December | Twelve months ended | vs. |
| | 31, 2011 | December 31, 2010 | 2010 |
| Sales | 29,270 | 24,576 | 19% |
| Cost of Sales | 25,624 | 22,250 | 15% |
| Marginal Profit | 3,646 | 2,326 | 57% |
| Operating Expenses | 1,054 | 1,152 | (9%) |
| Operating Income | 2,592 | 1,174 | 121% |
| EBITDA | 3,593 | 2,272 | 58% |
| Income before Non-Controlling Interest | 2,952 | 669 | 341% |
| Sales outside Mexico | 15,654 | 13,777 | 14% |
| Sales in México | 13,616 | 10,799 | 26% |
| Total sales (tons) | 2,288 | 2,241 | 2% |

| (Millions of pesos) | 4Q '11 | 3Q '11 | 4Q '10 | 4Q'11 vs 3Q'11 | 4Q'11 vs 4Q'10 |
|---|--------|--------|--------|-------------------|-------------------|
| Sales | 7,836 | 7,676 | 5,635 | 2% | 39% |
| Cost of Sales | 6,761 | 6,789 | 5,140 | 0% | 32% |
| Marginal Profit | 1,075 | 887 | 495 | 21% | 117% |
| Operating Expenses | 360 | 241 | 487 | 49% | (26%) |
| Operating Income | 715 | 646 | 8 | 11% | 8,838% |
| EBITDA | 967 | 940 | 294 | 3% | 229% |
| Income before Non. Controlling Interest | 1,175 | 704 | (303) | 67% | (487%) |
| Sales outside Mexico | 3,958 | 4,121 | 3,094 | (4%) | 28% |
| Sales in México | 3,878 | 3,555 | 2,541 | 9% | 53% |
| Total sales (tons) | 558 | 592 | 522 | (6%) | 7% |

| Product | Thousands of tons twelve months ended December 31,2011 | Million of pesos twelve months ended December 31, 2011 | Average price per ton twelve months ended December 31, 2011 | Thousands of tons Twelve months ended December 31,2010 | Million of pesos twelve months ended December 31, 2010 | Average price per ton twelve months ended December 31, 2010 |
|------------------|--|--|---|--|--|---|
| SBQ | 1,380 | 19,659 | 14,246 | 1,187 | 15,194 | 12,800 |
| Light Structural | 908 | 9,611 | 10,585 | 1,054 | 9,382 | 8,901 |
| Total | 2,288 | 29,270 | 12,793 | 2,241 | 24,576 | 10,967 |

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| Product | Thousands | Millions | Average | Thousands | Millions | Average | Thousands | Millions of | Average price |
|------------------|-----------|----------|-----------|-----------|----------|-----------|-----------|-------------|---------------|
| | of tons | of pesos | price per | of tons | of pesos | price per | | | |
| | 4Q '11 | 4Q'11 | 4Q'11 | 3Q '11 | 3Q'11 | 3Q'11 | 4Q'10 | 4Q'10 | 4Q'10 |
| SBQ | 318 | 5,011 | 15,758 | 344 | 5,038 | 14,645 | 261 | 3,187 | 12,211 |
| Light Structural | 240 | 2,825 | 11,771 | 248 | 2,638 | 10,637 | 261 | 2,448 | 9,379 |
| Total | 558 | 7,836 | 14,042 | 592 | 7,676 | 12,966 | 522 | 5,635 | 10,795 |

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** QUARTER: 4 **YEAR: 2011**
GRUPO SIMEC, S.A.B. DE C.V.

FINANCIAL STATEMENT NOTES

CONSOLIDATED

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

Grupo Simec, S.A. B., de C.V. and its Subsidiaries (“the Company”) are subsidiaries of Industrias CH, S.A.B., de C.V. (“ICH”), and their main activities consist of the manufacturing and sale of steel products primarily destined for the construction and automotive 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 Investigación y Desarrollo de Normas de Información Financiera, A.C. (CINIF)).

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

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

c. Inventories – Are valued to the full cost average by Domestic subsidiaries, and the foreign subsidiaries are valued on a last-in, first-out(LIFO). For translation effects into MFRS the inventories have been adjusted from LIFO to average full cost system.

Billet finished goods and work in process, have been valued to the full cost.

Raw materials, materials, supplies and rollers, at the average cost.

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

d.- Derivative financial instruments-- During 2011, 2010 and 2009 the Company used derivative financial instruments for hedging risks associated with natural gas prices for which it conducted studies on historical consumption, future requirement and commitments acquired, thus diminishing its exposure to risks other than its normal operating risks.

To mitigate the risks associated with changes in natural gas prices occurring naturally as a result of the supply and demand on international markets, the Company uses natural gas cash-flow exchange contracts or natural gas swaps to offset fluctuations in the price of natural gas, whereby the Company receives a floating price and pays a fixed price. Fluctuations in natural gas prices from volumes consumed are recognized as part of the Company's operating cost.

The fair value of these assets or liabilities is restated at the end of each month based on the new estimate. The Company periodically evaluates the changes in cash flows of the derivative instrument to analyze if the swaps are highly effective for mitigating the exposure to natural gas price fluctuations. A hedge instrument is considered to be highly effective when changes in its fair value or cash flows of the primary position are compensated on a regular or cumulatively basis, by changes in fair value or cash flows of the hedging instrument in a range between 80% and 125%. In 2011, 2010 and 2009 the fair value of derivatives that did not qualify for hedge accounting was adjusted through Statement of Income. For the derivatives that qualified for hedge accounting their fair value was adjusted through the Stockholders' equity in the caption Fair value of derivative financial instruments until such time as the related item the derivative hedges is recognized in income. At that time, the fair value included in Stockholders' equity is also recognized in income. 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.

e 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 September 30, 2011 are as follows:

Years

| | |
|--|----------|
| Buildings..... | 10 to 65 |
| Machinery and equipment | 5 to 40 |
| Buildings and improvements (Republic)..... | 5 to 25 |
| Land improvements (Republic)..... | 5 to 25 |
| Machinery and equipment (Republic)..... | 5 to 20 |

f. 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.

g. Seniority premiums and severance payments – According to Federal Labor Law, 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.

h. 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.

i. 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.

j. 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 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.

k. 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 June 30, 2011 sales of ten customers accounted for approximately 40.5% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

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

(2) Financial Debt:

As of December 31, 2011, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, or Ps. 4.2 million (accrued interest on December 31, 2011 was U.S. \$472,824, or Ps. 6.6 million). As of December 31, 2010, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, or Ps. 3.7 millions (accrued interest on December 31, 2010 was U.S. \$445,914, or Ps. 5.5 millions).

(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. 5.9 millions (U.S. \$424,207) at December 31, 2011, (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** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

RELATIONS OF SHARES INVESTMENTS

CONSOLIDATED

| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP |
|--|--|------------------|-----------|
| SUBSIDIARIES | | | |
| Cia Siderurgica de Guadalajara | Production and sales of steel products | | 99.99 |
| Simec International | Production and sales of steel products | | 99.99 |
| Arrendadora Simec | Production and sales of steel products | | 100.00 |
| Undershaft | Sub-Holding | | 100.00 |
| Pacific Steel | Scrap purchase | | 100.00 |
| Cia. Siderúrgica del Pacífico | Rent of land | | 99.99 |
| Coordinadora de Servicios Siderúrgicos de Calidad | Administrative services | | 100.00 |
| Comercializadora Simec | Sales of steel products | | 99.99 |
| Industrias del Acero y del Alambre | Sales of steel products | | 99.99 |
| Procesadora Mexicali | Scrap purchase | | 99.99 |
| Servicios Simec | Administrative services | | 100.00 |
| Sistemas de Transporte de Baja California | Freight services | | 100.00 |
| Operadora de Metales | Administrative services | | 100.00 |
| Operadora de Servicios Siderúrgicos de Tlaxcala | Administrative services | | 100.00 |
| Administradora de Servicios Siderúrgicos de Tlaxcala | Administrative services | | 100.00 |
| Operadora de Servicios de la Industria Siderúrgica | Administrative services | | 100.00 |
| SimRep | Sub-Holding | | 50.22 |
| Republic Engineered Products | Production and sales of steel products | | 50.22 |
| CSG Comercial | Sales of steel products | | 99.95 |
| Comercializadora de Productos de Aceros de Tlaxcala | Sales of steel products | | 99.95 |
| Siderúrgica de Baja California | Sales of steel products | | 99.95 |
| Corporación Aceros DM | Sub-Holding | | 99.99 |
| Productos Siderurgicos de Tlaxcala | Sales of steel products | | 100.00 |

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| | | |
|------------------------------|---|--------|
| Comercializadora MSAN | Sales of steel products | 100.00 |
| Comercializadora Aceros DM | Sales of steel products | 100.00 |
| Promotora de Aceros San Luis | Sales of steel products | 100.00 |
| Corporativos G&DL | Administrative services | 85.00 |
| Procesadora Industrial | Administrative services | 99.99 |
| Acero Transporte San | Freight services | 100.00 |
| Simec International 2 Inc. | Sales of steel products | 99.99 |
| Simec International 3 Inc. | Sales of steel products | 99.99 |
| Simec International 4 Inc. | Sales of steel products | 99.99 |
| Simec International 5 Inc. | Sales of steel products | 99.99 |
| Simec International 6 | Production and sales of steel products | 99.99 |
| Simec International 7 | Production and sales of steel products | 99.99 |
| Corporación ASL | Sales of steel products | 99.99 |
| Simec Acero | Sales of steel products | 100.00 |
| Simec USA | Sales of steel products | 100.00 |
| Simec Steel | Sales of steel products | 100.00 |
| Pacific Steel Projects | Administrative services | 100.00 |
| GV do Brasil | Production and sales of Steel productos | 99.99 |

TOTAL INVESTMENT IN SUBSIDIARIES

ASSOCIATEDS

TOTAL INVESTMENT IN ASSOCIATEDS
OTHER PERMANENT INVESTMENTS

0
0
0.00

TOTAL

0

NOTES

MEXICAN STOCK EXCHANGE

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 GRUPO SIMEC, S.A.B. DE C.V.

CREDITS BREAK DOWN

(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

| Credit Type / Institution | Amortization Date | Rate of Interest | Denominated in Pesos (Thousands of Pesos) | | | | | Denominated in Foreign Currency (Thousands of Pesos) | | | | | |
|------------------------------|----------------------|---------------------|--|-----------------|------------------|------------------|------------------|---|-----------------|-----------------|------------------|------------------|------------------|
| | | | Time Interval | | Time Interval | | | Time Interval | | Time Interval | | | |
| | | | Current Year | Until 1 Year | Until 2 Years | Until 3 Years | Until 4 Years | Until 5 Years or More | Current Year | Until 1 Year | Until 2 Years | Until 3 Years | Until 4 Years |
| BANKS | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BANKS | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**LISTED IN
THE**

**STOCK
EXCHANGE**

**UNSECURED
DEBT**

| | | | | | | | | | | | | | |
|----------------------|-----------------|---|---|---|---|---|---|---|-------|---|---|---|---|
| Medium Term Notes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,225 | 0 | 0 | 0 | 0 |
| | 15/12/1998 9.33 | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|----------------------------|--|---|---|---|---|---|---|---|-------|---|---|---|---|
| TOTAL STOCK EXCHANGE | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,225 | 0 | 0 | 0 | 0 |
|----------------------------|--|---|---|---|---|---|---|---|-------|---|---|---|---|

SUPPLIERS

| | | | | | | | | | | | |
|---------|--|---|----------|---|---|---|---|------------|---|---|---|
| Various | | 0 | 445,2070 | 0 | 0 | 0 | 0 | 1,849,4940 | 0 | 0 | 0 |
|---------|--|---|----------|---|---|---|---|------------|---|---|---|

| | | | | | | | | | | | |
|--------------------|--|---|----------|---|---|---|---|------------|---|---|---|
| TOTAL SUPPLIERS | | 0 | 445,2070 | 0 | 0 | 0 | 0 | 1,849,4940 | 0 | 0 | 0 |
|--------------------|--|---|----------|---|---|---|---|------------|---|---|---|

| | | | | | | | | | | | |
|-----------------------------|------|--|--|--|--|--|---|---------|--|--|--|
| OTHER LOANS WITH COST | 0.25 | | | | | | 0 | 707,453 | | | |
|-----------------------------|------|--|--|--|--|--|---|---------|--|--|--|

TOTAL 00 00000707,453 0000

OTHER
CURRENT
LIABILITIES
WITHOUT
COST

Various 0 125,56800000444,563 0000

TOTAL 0 125,56800000444,563 0000

TOTAL 0 570,775000003,005,7350000

NOTES: The exchange rate of the peso to the U.S. Dollar at December 31, 2011 was Ps. 13.9904

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
 GRUPO SIMEC, S.A.B. DE C.V.

MONETARY FOREIGN CURRENCY POSITION

(Thousands of Mexican Pesos)

CONSOLIDATED

| FOREING CURRENCY POSITION | DOLLARS | | OTHER CURRENCIES | | TOTAL |
|---------------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| | THOUSANDS OF DOLLARS | THOUSANDS OF PESOS | THOUSANDS OF DOLLARS | THOUSANDS OF PESOS | THOUSANDS OF PESOS |
| TOTAL ASSETS | 573,167 | 8,018,833 | 0 | 0 | 8,018,833 |
| LIABILITIES POSITION | 218,287 | 3,053,923 | 0 | 0 | 3,053,923 |
| SHORT TERM LIABILITIES POSITION | 214,843 | 3,005,735 | 0 | 0 | 3,005,735 |
| LONG TERM LIABILITIES POSITION | 3,444 | 48,188 | 0 | 0 | 48,188 |
| NET BALANCE | 354,880 | 4,964,910 | 0 | 0 | 4,964,910 |

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT DECEMBER 31, 2011 WAS PS. 13.9904

MEXICAN STOCK EXCHANGE

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GRUPO SIMEC, S.A.B. DE C.V.

DEBT INSTRUMENTS

CONSOLIDATED

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 4.24 times.

B) Accomplished the actual situation is 0.22

C) Accomplished the actual situation is 151.4

As of December 31, 2011, the remaining balance of the MTNs not exchanged amounts to Ps. 4.2 Millions (\$302,000 dollars).

C.P. Adolfo Luna Luna

Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS**CONSOLIDATED**

| PLANT OR CENTER | ECONOMIC ACTIVITY | PLANT CAPACITY | UTILIZATION (%) |
|-----------------------------------|---|-------------------|--------------------|
| GUADALAJARA MINI MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 480 | 72.66 |
| MEXICALI MINI MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 250 | 73.92 |
| APIZACO AND CHOLULA PLANTS | PRODUCTION AND SALES OF STEEL PRODUCTS | 480 | 76.43 |
| CANTON CASTER FACILITY | PRODUCTION OF BILLET | 1,144 | 72.00 |
| LORAIN CASTER FACILITY | PRODUCTION OF BILLET | 1,045 | 0.00 |
| LORAIN HOT-ROLLING MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 693 | 44.80 |
| LACKAWANNA HOT-ROLLING MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 495 | 67.40 |
| MASSILLON COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 104 | 61.80 |
| GARY COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 59 | 49.00 |
| ONTARIO COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 49 | 47.80 |

| | | | |
|--------------------------------------|--|-----|-------|
| SAN LUIS POTOSI COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 620 | 80.76 |
|--------------------------------------|--|-----|-------|

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

MAIN RAW MATERIALS

CONSOLIDATED

| DOMESTIC | MAIN SUPPLIERS | FOREIGN | MAIN SUPPLIERS | DOMESTIC SUBSTITUTION | COST PRODUCTION (%) |
|-----------------|-----------------------|------------------|-----------------------|------------------------------|----------------------------|
| PLANTS IN USA | | SCRAP | VARIOUS | NO | 47.70 |
| SCRAP | VARIOUS | PLANTS IN MEXICO | | | 55.94 |
| FERROALLOYS | VARIOUS | PLANTS IN MEXICO | | YES | 6.74 |
| PLANTS IN USA | | FERROALLOYS | VARIOUS | NO | 13.70 |
| ELECTRODES | VARIOUS | PLANTS IN MEXICO | VARIOUS | YES | 1.93 |
| PLANTS IN USA | | ELECTRODES | VARIOUS | NO | 2.10 |

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

DOMESTIC SALES

| MAIN PRODUCTS | NET SALES | | TRADEMARKS | CUSTOMERS |
|---------------------|--------------|-------------------|------------|-----------|
| | VOLUME | AMOUNT | | |
| COMMERCIAL PROFILES | 910 | 9,492,258 | | |
| SPECIAL PROFILES | 539 | 6,088,232 | | |
| OTHERS | | 127,431 | | |
| T O T A L | 1,449 | 15,707,921 | | |
| FOREIGN SALES | 839 | 13,562,577 | | |
| TOTAL | 2,288 | 29,270,498 | | |

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SALES

| MAIN PRODUCTS | NET SELLS | | MAIN | |
|-----------------------------|-----------|------------|------------|-----------|
| | VOLUME | AMOUNT | TRADEMARKS | CUSTOMERS |
| EXPORTS | | | | |
| COMMERCIAL PROFILES | 157 | 1,836,626 | | |
| SPECIAL PROFILES | 17 | 162,362 | | |
| OTHERS | 0 | 92,071 | | |
| FOREIGN SUBSIDIARIES | | | | |
| SPECIAL PROFILES | 839 | 13,562,577 | | |
| T O T A L | | 15,653,636 | | |

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

CONSTRUCTION IN PROGRESS

CONSOLIDATED

THE PROJECTS IN PROGRESS AT DECEMBER 31, 2011, ARE:

| PROJECTS IN PROGRESS | TOTAL INVESTMENT |
|---|------------------|
| PROJECTS IN REPUBLIC | 56,551 |
| PROJECTS IN MEXICALI | 4,268 |
| PROJECTS IN TLAXCALA | 12,345 |
| PROJECTS IN GUADALAJARA | 861 |
| PROJECTS IN SAN LUIS POTOSI | 4,130 |
| | |
| TOTAL INVESTMENT AS OF DECEMBER 31, 2011 | 78,155 |

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

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

INFORMATION RELATED TO BULLETIN B-15

CONSOLIDATED

Foreign currency transactions and exchange differences – Transactions in foreign currencies are recorded at the exchange rates prevailing at the celebration and liquidation dates. The assets and liabilities in foreign currencies are translated at the exchange rates prevailing at the date of the consolidated balance sheet. The exchange gains or losses incurred in connection with those assets or liabilities are included in the Statement of income, as part of the comprehensive financing cost. Note 3 presents the consolidated position in foreign currencies at the end of each year and the exchange rates used in the translation.

The functional and reporting currency of the Company is the Mexican peso. The financial statements of foreign subsidiaries were translated to Mexican pesos in accordance with the New Mexican Financial Reporting Standard MFRS B-15 "Conversion of foreign currencies" that came into effect on January 1, 2008. Under this Standard, the first step to convert financial information from operations abroad is the determination of the functional currency. The functional currency is the currency of the primary economic environment of the foreign operation or, if different, the currency that mainly impacts its cash flows. The new rule incorporates the concepts of recording currency that is the currency in which the entity maintains its accounting records, whether for legal or information purposes and the reporting currency, which is the currency chosen by the Company to report its financial information.

The U.S. dollar was considered as the functional currency of the subsidiary SimRep, therefore the financial statements of this subsidiary were translated into Mexican pesos by applying: i) the exchange rates at the balance sheet date to all assets and liabilities and (ii) the historical exchange rate at stockholders' equity accounts and revenues, costs and expenses. The difference resulting from the translation or consolidation processes or from applying the equity method, is recognized as a cumulative translation adjustment as part of Translation effect in foreign subsidiaries in

Stockholders' equity.

The Mexican Peso was considered the functional currency of the subsidiary Pacific Steel and the U.S. dollar as its recording currency; therefore the financial statements were translated to Mexican pesos as follows: i) monetary assets and liabilities by applying the exchange rates at the balance sheet date; ii) non-monetary assets and liabilities, as well as stockholders' equity accounts, at the historical exchange rate; and iii) revenues, costs and expenses at the historical exchange rate. Translation differences were carried directly to the income statement under the caption Foreign exchange loss, net.

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

CHARACTERISTICS OF THE SHARES

| SERIES | NOMINAL VALUE | | MEXICAN | FREE SUBSCRIPTION | CAPITAL STOCK (Thousands of Pesos) | |
|--------|---------------|------------------|------------------|-------------------|---------------------------------------|-----------------|
| | COUPON | NUMBER OF SHARES | | | FIXED | VARIABLE |
| | | FIXED PORTION | VARIABLE PORTION | | | FIXED VARIABLE |
| B | | 90,850,050 | 406,859,164 | 0 | 497,709,214 | 441,786,197,444 |
| TOTAL | | 90,850,050 | 406,859,164 | 0 | 497,709,214 | 441,786,197,444 |

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

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED

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

LUIS GARCIA LIMON AND ADOLFO LUNA LUNA 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 SECOND QUARTER REPORT.

ING LUIS GARCIA LIMON C.P. ADOLFO LUNA LUNA
CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT MAY 03 OF 2012.

