

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)

<b>REF</b>	<b>CONCEPTS</b>	<b>CURRENT</b>	<b>PREVIOUS</b>	
<b>S</b>		<b>YEAR</b>	<b>YEAR</b>	
		<b>AMOUNT %</b>	<b>AMOUNT %</b>	
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)

<b>REF</b>	<b>CONCEPTS</b>	<b>CURRENT</b>	<b>PREVIOUS</b>
<b>S</b>		<b>YEAR</b>	<b>YEAR</b>
		<b>AMOUNT %</b>	<b>AMOUNT %</b>
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)

<b>REF</b>	<b>CONCEPTS</b>	<b>CURRENT YEAR PREVIOUS YEAR</b>	
		<b>AMOUNT</b>	<b>AMOUNT</b>
<b>S</b>			
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)

<b>REF</b>	<b>CONCEPTS</b>	<b>CURRENT</b>	<b>PREVIOUS</b>		
<b>R</b>		<b>YEAR</b>	<b>YEAR</b>		
		<b>AMOUNT %</b>	<b>AMOUNT %</b>		
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 0		
r35	DEFERRED EMPLOYEES' PROFIT SHARING 0	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)

<b>REF</b>	<b>CONCEPTS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>R</b>		<b>AMOUNT</b>	<b>AMOUNT</b>
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)

<b>REF</b>	<b>CATEGORIES</b>	<b>CURRENT</b>	<b>PREVIOUS</b>
<b>R</b>		<b>YEAR</b>	<b>YEAR</b>
		<b>AMOUNT%</b>	<b>AMOUNT%</b>
r01	NET SALES	7,836,347	1005,634,869 100
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)

<b>REF</b>		<b>CURRENT</b>	<b>PREVIOUS</b>		
<b>R</b>	<b>CONCEPTS</b>	<b>YEAR</b>	<b>YEAR</b>	<b>AMOUNT %</b>	<b>AMOUNT %</b>
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)

<b>REF</b>	<b>CONCEPTS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>RT</b>		<b>AMOUNT</b>	<b>AMOUNT</b>
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	<b>2,514,222</b>	<b>1,407,617</b>
e12	TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS	<b>637,949</b>	<b>28,400</b>
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)

<b>REF</b>		<b>CURRENT</b>	<b>PREVIOUS</b>
<b>C</b>	<b>CONCEPTS</b>	<b>YEAR</b>	<b>YEAR</b>
		<b>AMOUNT</b>	<b>AMOUNT</b>
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	\$ 5.75	\$ 1.81
d02	\$ 0.00	\$ 0.00
d03	\$ 0.00	\$ 0.00
d04	\$ 5.75	\$ 1.81
d05	\$ 0.00	\$ 0.00
d08	\$ 44.39	\$ 37.52
d09	\$ 0.00	\$ 0.00
d10	0.00 shares	0.00 shares
d11	0.69 times	0.79 times
d12	5.84 times	17.93 times
d13	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.

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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
<b>SUBSIDIARIES</b>			
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**

**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**  
 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
<b>BANKS</b>			0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BANKS</b>			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
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**SUPPLIERS**

Various		0	445,2070	0	0	0	0	1,849,4940	0	0	0
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TOTAL SUPPLIERS		0	445,2070	0	0	0	0	1,849,4940	0	0	0
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OTHER LOANS WITH COST	0.25						0	707,453			
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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

SIFIC / ICS

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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STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**  
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

SIFIC / ICS

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
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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**

<b>DOMESTIC</b>	<b>MAIN SUPPLIERS</b>	<b>FOREIGN</b>	<b>MAIN SUPPLIERS</b>	<b>DOMESTIC SUBSTITUTION</b>	<b>COST PRODUCTION (%)</b>
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		
<b>T O T A L</b>	<b>1,449</b>	<b>15,707,921</b>		
FOREIGN SALES	839	13,562,577		
<b>TOTAL</b>	<b>2,288</b>	<b>29,270,498</b>		

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		
<b>FOREIGN SUBSIDIARIES</b>				
SPECIAL PROFILES	839	13,562,577		
<b>T O T A L</b>		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	<b>78,155</b>

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		NUMBER OF SHARES		MEXICAN	FREE SUBSCRIPTION	CAPITAL STOCK (Thousands of Pesos)	
	COUPON	COUPON	FIXED PORTION	VARIABLE PORTION			FIXED	VARIABLE
B			90,850,050	406,859,164	0	497,709,214	441,786,197	8,444
TOTAL			90,850,050	406,859,164	0	497,709,214	441,786,197	8,444

**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.**

