

GROUP SIMEC SA DE CV

Form 6-K

May 05, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 6-K**

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

**COMMISSION FILE NUMBER 1-11176**

For the month of May, 2010.

Group Simec, Inc.

(Translation of Registrant's Name Into English)

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

(Address of principal executive office)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_.)

SIGNATURE

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

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

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(Registrant)

Date: May 5, 2010.

By: /s/ Luis García Limón

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Name: Luis García Limón

Title: Chief Executive Officer

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**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: SIMEC

QUARTER: 4 YEAR: 2009

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

**CONSOLIDATED FINANCIAL STATEMENT**

AT DECEMBER 31 OF 2009 AND 2008

(thousands of Mexican pesos)

**AUDITED**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
<b>s01</b>	<b>TOTAL ASSETS</b>	<b>26,883,123</b>	<b>100</b>	<b>30,814,017</b>	<b>100</b>
<b>s02</b>	<b>CURRENT ASSETS</b>	<b>12,477,733</b>	<b>46</b>	<b>13,045,429</b>	<b>42</b>
s03	CASH AND SHORT-TERM INVESTMENTS	1,948,900	7	576,741	2
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	2,062,155	8	2,855,472	9
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	1,477,367	5	504,818	2
s06	INVENTORIES	6,792,064	25	8,849,906	29
s07	OTHER CURRENT ASSETS	197,247	1	258,492	1
<b>s08</b>	<b>LONG-TERM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0	0	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0	0	0
s11	OTHER INVESTMENTS	0	0	0	0
<b>s12</b>	<b>PROPERTY, PLANT AND EQUIPMENT (NET)</b>	<b>9,794,942</b>	<b>36</b>	<b>10,291,145</b>	<b>33</b>
s13	LAND AND BUILDINGS	3,734,281	14	3,731,695	12
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	12,973,637	48	12,790,306	42
s15	OTHER EQUIPMENT	232,275	1	230,015	1
s16	ACCUMULATED DEPRECIATION	7,504,768	28	6,847,468	22
s17	CONSTRUCTION IN PROGRESS	359,517	1	386,597	1
<b>s18</b>	<b>OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)</b>	<b>4,468,951</b>	<b>17</b>	<b>7,351,774</b>	<b>24</b>
<b>s19</b>	<b>OTHER ASSETS</b>	<b>141,497</b>	<b>1</b>	<b>125,669</b>	<b>0</b>
<b>s20</b>	<b>TOTAL LIABILITIES</b>	<b>6,901,229</b>	<b>100</b>	<b>9,508,520</b>	<b>100</b>
<b>s21</b>	<b>CURRENT LIABILITIES</b>	<b>4,067,703</b>	<b>59</b>	<b>5,255,145</b>	<b>55</b>

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s22	SUPPLIERS	1,896,825	27	3,399,772	36
s23	BANK LOANS	0	0	8,800	0
s24	STOCK MARKET LOANS	3,944	0	4,055	0
s103	OTHER LOANS WITH COST	740,285	11	273,474	3
s25	TAXES PAYABLE	334,278	5	298,251	3
s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,092,371	16	1,270,793	13
<b>s27</b>	<b>LONG-TERM LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
s28	BANK LOANS	0	0	0	0
s29	STOCK MARKET LOANS	0	0	0	0
s30	OTHER LOANS WITH COST	0	0	0	0
<b>s31</b>	<b>DEFERRED LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>s32</b>	<b>OTHER NON-CURRENT LIABILITIES WITHOUT COST</b>	<b>2,833,526</b>	<b>41</b>	<b>4,253,375</b>	<b>45</b>
<b>s33 CONSOLIDATED STOCKHOLDERS EQUITY</b>					
		<b>19,981,894</b>	<b>100</b>	<b>21,305,497</b>	<b>100</b>
<b>s34 MINORITY INTEREST</b>					
		<b>2,191,358</b>	<b>11</b>	<b>3,122,342</b>	<b>15</b>
<b>s35 MAJORITY INTEREST</b>					
		<b>17,790,536</b>	<b>89</b>	<b>18,183,155</b>	<b>85</b>
<b>s36 CONTRIBUTED CAPITAL</b>					
		<b>8,350,900</b>	<b>42</b>	<b>8,350,900</b>	<b>39</b>
S79	CAPITAL STOCK	4,142,696	21	4,142,696	19
s39	PREMIUM ON ISSUANCE OF SHARES	4,208,204	21	4,208,204	20
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
<b>s41</b>	<b>EARNED CAPITAL</b>	<b>9,439,636</b>	<b>47</b>	<b>9,832,255</b>	<b>46</b>
s42	RETAINED EARNINGS AND CAPITAL RESERVES	9,075,705	45	9,507,958	45
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	363,931	2	324,297	2
s80	SHARES REPURCHASED	0	0	0	0

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: 2009

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

**CONSOLIDATED FINANCIAL STATEMENT**
**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)

**AUDITED**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
<b>s03</b>	<b>CASH AND SHORT-TERM INVESTMENTS</b>	<b>1,948,900</b>	<b>100</b>	<b>576,741</b>	<b>100</b>
s46	CASH	1,109,012	57	234,679	41
s47	SHORT-TERM INVESTMENTS	839,888	43	342,062	59
<b>s07</b>	<b>OTHER CURRENT ASSETS</b>	<b>197,247</b>	<b>100</b>	<b>258,492</b>	<b>100</b>
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s82	DISCONTINUED OPERATIONS	0	0	0	0
s83	OTHER	197,247	100	258,492	100
<b>s18</b>	<b>OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)</b>	<b>4,468,951</b>	<b>100</b>	<b>7,351,774</b>	<b>100</b>
s48	DEFERRED EXPENSES	2,574,564	58	3,099,182	42
s49	GOODWILL	1,798,160	40	4,166,160	57
s51	OTHER	96,227	2	86,432	1
<b>s19</b>	<b>OTHER ASSETS</b>	<b>141,497</b>	<b>100</b>	<b>125,669</b>	<b>100</b>
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	0	0	3,446	3
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s50	DEFERRED TAXES	0	0	0	0
s86	DISCONTINUED OPERATIONS	0	0	0	0
s87	OTHER	141,497	100	122,223	97
<b>s21</b>	<b>CURRENT LIABILITIES</b>	<b>4,067,703</b>	<b>100</b>	<b>5,255,145</b>	<b>100</b>
s52	FOREIGN CURRENCY LIABILITIES	2,530,335	62	3,766,787	72

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s53	MEXICAN PESOS LIABILITIES	1,537,368	38	1,488,358	28
<b>s26 OTHER CURRENT LIABILITIES WITHOUT COST</b>					
s88	DERIVATIVE FINANCIAL INSTRUMENTS	216,753	20	376,206	30
s89	INTEREST LIABILITIES	5,461	0	5,251	0
s68	PROVISIONS	0	0	0	0
s90	DISCONTINUED OPERATIONS	0	0	0	0
s58	OTHER CURRENT LIABILITIES	870,157	80	889,336	70
<b>s27 LONG-TERM LIABILITIES</b>					
s59	FOREIGN CURRENCY LIABILITIES	0	0	0	0
s60	MEXICAN PESOS LIABILITIES	0	0	0	0
<b>s31 DEFERRED LIABILITIES</b>					
s65	NEGATIVE GOODWILL	0	0	0	0
s67	OTHER	0	0	0	0
<b>s32 OTHER NON CURRENT LIABILITIES WITHOUT COST</b>					
s66	DEFERRED TAXES	4,737,770	97	4,172,251	98
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	33,140	1	34,095	1
s92	DISCONTINUED OPERATIONS	0	0	0	0
s69	OTHER LIABILITIES	62,616	2	47,029	1
<b>s79 CAPITAL STOCK</b>					
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**  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2009

**CONSOLIDATED FINANCIAL STATEMENT**

**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)

**AUDITED**

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
<b>s42</b>	<b>RETAINED EARNINGS AND CAPITAL RESERVES</b>	<b>9,075,705</b>	<b>100</b>	<b>9,507,958</b>	<b>100</b>
s93	LEGAL RESERVE	0	0	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	200,612	2	200,612	2
s94	OTHER RESERVES	0	0	0	0
s95	RETAINED EARNINGS	9,198,031	101	7,511,209	79
s45	NET INCOME FOR THE YEAR	(322,938)	(4)	1,796,137	19
<b>s44</b>	<b>OTHER ACCUMULATED COMPREHENSIVE RESULT</b>	<b>363,931</b>	<b>100</b>	<b>324,297</b>	<b>100</b>
s70	ACCUMULATED MONETARY RESULT	0	0	0	0
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	0	0	0	0
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	515,658	142	595,165	184
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	(151,727)	(42)	(270,868)	(84)
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	0	0	0	0
s99	LABOR OBLIGATION ADJUSTMENT	0	0	0	0
s100	OTHER	0	0	0	0

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**QUARTER: **4** YEAR: **2009**

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

**BALANCE SHEETS**

OTHER CONCEPTS

(thousands of Mexican pesos)

**AUDITED**

REF S	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		AMOUNT	AMOUNT
S72	WORKING CAPITAL	8,410,030	7,790,284
S73	PENSIONS FUND AND SENIORITY PREMIUMS	0	0
S74	EXECUTIVES (*)	56	60
S75	EMPLOYERS (*)	1,564	1,890
S76	WORKERS (*)	2,758	2,873
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	740,285	273,474

(\*)

THESE ITEMS SHOULD BE EXPRESSED IN UNITS



**MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: 2009

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

**STATEMENTS OF INCOME**

FROM JANUARY 1 TO DECEMBER 31 OF 2009 AND 2008

(thousands of Mexican pesos)

**AUDITED**

REF R	CATEGORIES	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
r01	<b>NET SALES</b>	<b>19,231,529</b>	<b>100</b>	<b>35,185,220</b>	<b>100</b>
r02	COST OF SALES	17,716,754	92	29,796,163	85
r03	<b>MARGINAL PROFIT</b>	<b>1,514,775</b>	<b>8</b>	<b>5,389,057</b>	<b>15</b>
r04	OPERATING EXPENSES	2,300,982	12	2,273,828	6
r05	<b>OPERATING (LOSS) INCOME</b>	<b>(786,207)</b>	<b>(4)</b>	<b>3,115,229</b>	<b>9</b>
r08	OTHER INCOME AND (EXPENSE), NET	(2,338,009)	(12)	(3,916)	0
r06	COMPREHENSIVE FINANCING RESULT	(96,298)	0	(174,661)	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	<b>(LOSS) INCOME BEFORE INCOME TAXES</b>	<b>(3,220,514)</b>	<b>(17)</b>	<b>2,936,652</b>	<b>8</b>
r10	INCOME TAXES	(2,045,402)	(11)	1,036,303	3
r11	<b>INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS</b>	<b>(1,175,112)</b>	<b>(6)</b>	<b>1,900,349</b>	<b>5</b>
r14	DISCONTINUED OPERATIONS	0	0	0	0
r18	<b>NET CONSOLIDATED (LOSS) INCOME</b>	<b>(1,175,112)</b>	<b>(6)</b>	<b>1,900,349</b>	<b>5</b>
r19	NET (LOSS) INCOME OF MINORITY INTEREST	(852,174)	(4)	104,212	0
r20	NET (LOSS) INCOME OF MAJORITY INTEREST	<b>(322,938)</b>	<b>(2)</b>	<b>1,796,137</b>	<b>5</b>

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

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

(thousands of Mexican pesos)

**AUDITED**

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
<b>r01</b>	<b>NET SALES</b>	<b>19,231,529</b>	<b>100</b>	<b>35,185,220</b>	<b>100</b>
r21	DOMESTIC	10,296,834	54	10,713,674	30
r22	FOREIGN	8,934,695	46	24,471,546	70
r23	TRANSLATED INTO DOLLARS (***)	660,671		2,198,590	
<b>r08</b>	<b>OTHER INCOME AND (EXPENSE), NET</b>	<b>(2,338,009)</b>	<b>100</b>	<b>(3,916)</b>	<b>100</b>
r49	OTHER INCOME AND (EXPENSE), NET	(2,330,747)	100	20,025	511
r34	EMPLOYEES PROFIT SHARING EXPENSES	7,262	0	23,941	611
r35	DEFERRED EMPLOYEES PROFIT SHARING	0	0	0	0
<b>r06</b>	<b>COMPREHENSIVE FINANCING RESULT</b>	<b>(96,298)</b>	<b>100</b>	<b>(174,661)</b>	<b>100</b>
r24	INTEREST EXPENSE	48,644	(51)	57,288	(33)
r42	GAIN (LOSS) ON RESTATEMENT OF UDI S	0	0	0	0
r45	OTHER FINANCE COSTS	0	0	0	0
r26	INTEREST INCOME	30,775	32	135,810	78
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	(78,429)	(81)	(253,183)	(145)
r28	RESULT FROM MONETARY POSITION	0	0	0	0
r10	INCOME TAXES	<b>(2,045,402)</b>	<b>100</b>	<b>1,036,303</b>	<b>100</b>
r32	INCOME TAX	(641,742)	31	743,255	72
r33	DEFERRED INCOME TAX	(1,403,660)	69	293,048	28

(\*\*\*)

THOUSANDS OF DOLLARS



**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**QUARTER: **4** YEAR: **2009**

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

**STATEMENTS OF INCOME**

OTHER CONCEPTS

(thousands of Mexican pesos)

**AUDITED**

REF R	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		AMOUNT	AMOUNT
r36	TOTAL SALES	19,884,915	35,618,819
r37	TAX RESULT FOR THE YEAR	0	0
r38	NET SALES (**)	19,231,529	35,185,220
r39	OPERATION INCOME (**)	(786,207)	3,143,385
r40	NET INCOME OF MAJORITY INTEREST (**)	(322,938)	1,796,137
r41	NET CONSOLIDATED INCOME (**)	(1,175,112)	1,900,349
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	1,047,882	867,150

(\*\*)

RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: 2009

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

**QUARTERLY STATEMENTS OF INCOME**

FROM OCTOBER 1 TO DECEMBER 31 OF 2009 AND 2008

(thousands of Mexican pesos)

**AUDITED**

REF R	CATEGORIES	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
r01	<b>NET SALES</b>	<b>4,954,253</b>	<b>100</b>	<b>7,617,888</b>	<b>100</b>
r02	COST OF SALES	6,106,843	123	7,326,696	96
r03	<b>MARGINAL (LOSS) PROFIT</b>	<b>(1,152,590)</b>	<b>(23)</b>	<b>291,192</b>	<b>4</b>
r04	OPERATING EXPENSES	635,643	13	916,294	12
r05	<b>OPERATING LOSS</b>	<b>(1,788,233)</b>	<b>(36)</b>	<b>(625,102)</b>	<b>(8)</b>
r08	OTHER INCOME AND (EXPENSE), NET	(2,345,808)	(47)	(56,867)	0
r06	COMPREHENSIVE FINANCING RESULT	(47,114)	0	58,853	1
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0	0	0
r48	NON ORDINARY ITEMS	0	0	0	0
r09	<b>(LOSS) INCOME BEFORE INCOME TAXES</b>	<b>(4,181,155)</b>	<b>(84)</b>	<b>(623,116)</b>	<b>(8)</b>
r10	INCOME TAXES	(2,213,464)	(45)	(172,312)	(2)
r11	<b>INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS</b>	<b>(1,967,691)</b>	<b>(40)</b>	<b>(450,804)</b>	<b>(6)</b>
r14	DISCONTINUED OPERATIONS	0	0	0	0
r18	<b>NET CONSOLIDATED LOSS</b>	<b>(1,967,691)</b>	<b>(40)</b>	<b>(450,804)</b>	<b>(6)</b>
r19	NET LOSS OF MINORITY INTEREST	(475,521)	(10)	(506,206)	(7)
r20	NET (LOSS) INCOME OF MAJORITY INTEREST	<b>(1,492,170)</b>	<b>(30)</b>	<b>55,402</b>	<b>1</b>

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QUARTER: 4 YEAR: 2009

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

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

(thousands of Mexican pesos)

**AUDITED**

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	%	AMOUNT	%
<b>rt01</b>	<b>NET SALES</b>	<b>4,954,253</b>	<b>100</b>	<b>7,617,888</b>	<b>100</b>
rt21	DOMESTIC	2,128,140	43	2,635,143	35
rt22	FOREIGN	2,826,113	57	4,982,745	65
rt23	TRANSLATED INTO DOLLARS (***)	213,433		338,726	
<b>rt08</b>	<b>OTHER INCOME AND (EXPENSE), NET</b>	<b>(2,345,808)</b>	<b>100</b>	<b>(56,867)</b>	<b>100</b>
rt49	OTHER INCOME AND (EXPENSE), NET	(2,338,546)	100	(41,616)	73
rt34	EMPLOYEES PROFIT SHARING EXPENSES	7,262	0	15,251	27
rt35	DEFERRED EMPLOYEES PROFIT SHARING	0	0	0	0
<b>rt06</b>	<b>COMPREHENSIVE FINANCING RESULT</b>	<b>(47,114)</b>	<b>100</b>	<b>58,853</b>	<b>100</b>
rt24	INTEREST EXPENSE	3,148	7	28,070	48
rt42	GAIN (LOSS) ON RESTATEMENT OF UDI S	0	0	0	0
rt45	OTHER FINANCE COSTS	0	0	0	0
rt26	INTEREST INCOME	9,820	21	25,685	44
rt46	OTHER FINANCIAL PRODUCTS	0	0	0	0
rt25	FOREIGN EXCHANGE GAIN (LOSS), NET	(53,786)	114	61,238	104
rt28	RESULT FROM MONETARY POSITION	0	0	0	0
rt10	INCOME TAXES	<b>(2,213,464)</b>	<b>100</b>	<b>172,312</b>	<b>100</b>
rt32	INCOME TAX	(794,416)	36	305,519	177
rt33	DEFERRED INCOME TAX	(1,419,048)	64	(477,831)	(277)

(\*\*\*)

THOUSANDS OF DOLLARS



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QUARTER: 4 YEAR: 2009

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

**QUARTERLY STATEMENTS OF INCOME**

OTHER CONCEPTS

(thousands of Mexican pesos)

**AUDITED**

REF RT	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		AMOUNT	AMOUNT
rt47	OPERATIVE DEPRECIATION AND AMORTIZATION	236,076	465,209



**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: 2009

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

**STATE OF CASH FLOW (INDIRECT METHOD)**

FROM JANUARY 1 TO DECEMBER 31 OF 2009 AND 2008

(thousands of pesos)

**AUDITED**

<b>REF C</b>	<b>CONCEPTS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
		<b>AMOUNT</b>	<b>AMOUNT</b>
	<b>ACTIVITIES OF OPERATION</b>		
<b>e01</b>	<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>(3,220,514)</b>	<b>2,936,652</b>
e02	+ (-) ITEMS NOT REQUIRING CASH	165,573	126,084
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	3,384,918	759,496
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	48,644	57,288
<b>e05</b>	<b>CASH FLOW BEFORE INCOME TAX</b>	<b>378,621</b>	<b>3,879,520</b>
e06	CASH FLOW PROVIDED OR USED IN OPERATION	<b>780,880</b>	<b>(2,034,270)</b>
<b>e07</b>	<b>CASH FLOW PROVIDED OF OPERATING ACTIVITIES</b>	<b>1,159,501</b>	<b>1,845,250</b>
	<b>INVESTMENT ACTIVITIES</b>		
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(225,517)	(9,000,056)
<b>e09</b>	<b>CASH FLOW AFTER INVESTING ACTIVITIES</b>	<b>933,984</b>	<b>(7,154,806)</b>
	<b>FINANCING ACTIVITIES</b>		
e10	NET CASH FROM FINANCING ACTIVITIES	438,579	1,334,154
<b>e11</b>	<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,372,563</b>	<b>(5,820,652)</b>
<b>e12</b>	<b>TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS</b>	<b>(404)</b>	<b>1,238</b>
e13	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	576,741	6,396,155
<b>e14</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>1,948,900</b>	<b>576,741</b>

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: 2009

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

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

(thousands of pesos)

**AUDITED**

<b>REF C</b>	<b>CONCEPTS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
		<b>AMOUNT</b>	<b>AMOUNT</b>
<b>e02</b>	<b>+ (-) ITEMS NOT REQUIRING CASH</b>	<b>165,573</b>	<b>126,084</b>
e15	+ ESTIMATES FOR THE PERIOD	0	0
e16	+ PROVISIONS FOR THE PERIOD	0	0
e17	+ (-) OTHER UNREALIZED ITEMS	165,573	126,084
<b>e03</b>	<b>+ (-) ITEMS RELATED TO INVESTING ACTIVITIES</b>	<b>3,384,918</b>	<b>759,496</b>
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	1,047,882	895,306
e19	(-) + GAIN OR LOSS ON SALE PROPERTY, PLANT AND EQUIPMENT	0	0
e20	+ IMPAIRMENT LOSS	2,368,000	0
e21	(-) + EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0	0
e22	(-) DIVIDENDS RECEIVED	0	0
e23	(-) INTEREST INCOME	(30,964)	(135,810)
e24	(-) + OTHER ITEMS	0	0
<b>e04</b>	<b>+ (-) ITEMS RELATED TO FINANCING ACTIVITIES</b>	<b>48,644</b>	<b>57,288</b>
e25	+ ACCRUED INTEREST	48,644	57,288
e26	+ (-) OTHER ITEMS	0	0
<b>e06</b>	<b>CASH FLOW PROVIDED OR USED IN OPERATION</b>	<b>780,880</b>	<b>(2,034,270)</b>
e27	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	630,548	290,082
e28	+ (-) DECREASE (INCREASE) IN INVENTORIES	1,864,306	(2,030,274)
e29	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLES	128,228	(251,920)
e30	+ (-) INCREASE DECREASE IN SUPPLIERS	(1,338,235)	541,938

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e31	+ (-)INCREASE DECREASE IN OTHER LIABILITIES	(286,682)	111,756
e32	+ (-) INCOME TAXES PAID OR RETURNED	(217,285)	(695,852)
<b>e08 NET CASH FLOW FROM INVESTING ACTIVITIES</b>			
e33	(-) PERMANENT INVESTMENT IN SHARES	0	(8,450,796)
e34	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0	0
e35	(-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT	(263,207)	(479,804)
e36	+ SALE OF PROPERTY PLANT AND EQUIPMENT	6,114	4,769
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	30,758	135,810
e43	+ (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0	0
e44	+ (-) OTHER ITEMS	818	(210,035}
<b>e10 NET CASH FROM FINANCING ACTIVITIES</b>			
e45	+ BANK FINANCING	0	1,334,129
e46	+ STOCK MARKET FINANCING	0	0
e47	+ OTHER FINANCING	1,189,850	232,943
e48	(-) BANK FINANCING AMORTIZATION	(8,800)	(1,325,329)
e49	(-) STOCK MARKET FINANCING AMORTIZATION	0	0
e50	(-) OTHER FINANCING AMORTIZATION	(709,219)	(36,138)
e51	+ (-) INCREASE (DECREASE ) IN CAPITAL STOCK	0	112,269
e52	(-) DIVIDENDS PAID	0	0
e53	+ PREMIUM ON ISSUANCE OF SHARES	0	1,056,887
e54	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
e55	(-) INTEREST EXPENSE	(33,252)	(40,607)
e56	(-) REPURCHASE OF SHARES	0	0
e57	+ (-) OTHER ITEMS	0	0

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: 2009

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

**DATE PER SHARE**

CONSOLIDATED

**AUDITED**

<b>REF D</b>	<b>CATEGORIES</b>	<b>QUARTER OF PRESENT FINANCIAL YEAR</b>	<b>QUARTER OF PREVIOUS FINANCIAL YEAR</b>
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ (0.65)	\$ 3.70
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 (**)	\$ (0.65)	\$ 3.70
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0.00	\$ 0.00
d08	CARRYING VALUE PER SHARE	\$ 35.74	\$ 36.53
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	1.02 times	0.62 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE	(55.93) times	6.12 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**  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2009

**RATIOS  
CONSOLIDATED**
**AUDITED**

REF P	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
<b>YIELD</b>			
p01	NET INCOME TO NET SALES	(6.11%)	5.40%
p02	NET INCOME TO STOCKHOLDERS EQUITY (**)	(5.88%)	8.92%
p03	NET INCOME TO TOTAL ASSETS (**)	(4.37%)	6.17%
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%
<b>ACTIVITY</b>			
p06	NET SALES TO NET ASSETS (**)	0.72 times	1.14 times
p07	NET SALES TO FIXED ASSETS (**)	1.96 times	3.42 times
p08	INVENTORIES TURNOVER (**)	2.61 times	3.37 times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	34 days	25 days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	6.65%	0.20%
<b>LEVERAGE</b>			
p11	TOTAL LIABILITIES TO TOTAL ASSETS	25.67%	30.86%
p12	TOTAL LIABILITIES TO STOCKHOLDERS EQUITY	0.35 times	0.45 times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	36.66%	39.61%
p14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00%	0.00%
p15	OPERATING INCOME TO INTEREST PAID	(16.16) times	54.38 times
p16	NET SALES TO TOTAL LIABILITIES (**)	2.79 times	3.70 times
<b>LIQUIDITY</b>			

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p17	CURRENT ASSETS TO CURRENT LIABILITIES	3.07 times	2.48 times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	1.40 times	0.80 times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	1.81 times	1.37 times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	47.91%	10.97%

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

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**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

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

QUARTER: 4 YEAR: 2009

**DIRECTOR REPORT**

**AUDITED**

CONSOLIDATED

**Year Ended December 31, 2009 compared to Year Ended December 31, 2008**

*Net Sales*

Net sales decreased 45% to Ps. 19,232 million in 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 3,797 million) compared to Ps. 35,185 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,532 million). Shipments of finished steel products decreased 30% to 2,046 thousand tons in 2009 (including the net sales generated by the newly acquired plants of Grupo San of 513 thousand tons) compared to 2,924 thousand tons in 2008 (including the net sales generated by the newly acquired plants of Grupo San of 261 thousand tons). Total sales outside of Mexico in 2009 decreased 63% to Ps. 8,935 million (including the net sales generated by the newly acquired plants of Grupo San of Ps. 11 million) compared with Ps. 24,471 million in 2008, (including the net sales generated by the newly acquired plants of Grupo San of Ps. 98 million) while total Mexican sales decreased 4% from Ps. 10,714 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,434 million) to Ps. 10,297 millions in 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 3,786 million). The decrease in sales is due to lower shipments during 2009, compared to the same period in 2008 (a 878,000 tons decrease). The average price of steel products decreased 29% in 2009 compared with 2008.

*Direct Cost of Sales*

Direct cost of sales decreased 41% from Ps. 29,796 million in 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 1,444 million) to Ps. 17,717 million in 2009 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 2,683 million). Direct cost of sales as a percentage of net sales represented 92% in 2009 compared to 85% in 2008. The average cost of raw materials used to produce steel products decreased 15% in 2009 compared 2008, primarily as a result of decreases in the price of scrap and certain other raw materials.

*Marginal Profit*

Marginal profit in 2009 was Ps. 1,515 million (including the marginal profit generated by the newly acquired plants of Grupo San of Ps. 1,114 million) compared to Ps. 5,389 million in the same period 2008 (including the marginal profit generated by the newly acquired plants of Grupo San of Ps. 1,010 million). Marginal profit as a percentage of net sales in 2009 was 8% compared to 15% in 2008. The decline in marginal profit is due to lower shipments of 30% during 2009 compared with 2008.

*Operating Expenses*

Operating expenses increased 1% to Ps. 2,301 million in 2009 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 489 million and the amortization of the tangible and intangible assets of Ps. 359 million registered by the acquisition of Grupo San) compared to Ps. 2,274 million in 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 433 million and the amortization of the tangible and

intangible assets of Ps. 270 million registered by the acquisition of Grupo San), and represented 12% of net sales in 2009 and 6% of net sales in 2008.

***Operating (Loss) Income***

Operating loss was Ps. 786 million in 2009 (including the operating income generated by the newly acquired plants of Grupo San of Ps. 266 million) compared to Ps. 3,115 million of operating income in 2008 (including

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the operating income generated by the newly acquired plants of Grupo San of Ps. 655 million). Operating loss as a percentage of net sales was 4% in 2009 compared to 9% of operating income in 2008. The operating loss is due to lower shipments of 30% during 2009 compared with 2008.

#### ***Other Expenses (Income) net***

The company recorded other income net of Ps. 30 million in 2009 compared to other expense net of Ps. 4 million in 2008.

#### ***Impairment of Intangible Assets***

In 2009, the Company recognized an impairment of Ps. 2.368 million, which diminished the value of the goodwill of Grupo San and trademark San 42 for Ps. 2.352 million and Ps. 16 million, respectively.

#### ***Comprehensive Financial Cost***

Comprehensive financial cost in 2009 represented an expense of Ps. 96 million compared with an expense of Ps. 175 million in 2008. Net interest expense was Ps. 18 million in 2009 compared with a net interest income of Ps. 79 million in 2008. At the same time, we registered an exchange loss of Ps. 78 million in 2009 compared with an exchange loss of Ps. 254 million in 2008, reflecting a 3.5% increase in the value of the peso versus the dollar as of December 31, 2009 compared to December 31, 2008.

#### ***Income Taxes***

Income Taxes recorded an income of Ps. 2,045 million in 2009 (including the decrease in the provision of Ps. 1,404 million of deferred income taxes, and the income tax of Republic Ps. 825 million ) compared to Ps. 1,036 million in 2008 (including the provision of Ps. 293 million of deferred income taxes).

#### ***Net Loss (Income)***

As a result of the foregoing, net loss was Ps.1,175 million in 2009 compared to net income of Ps. 1,900 million in 2008.

#### ***Liquidity and Capital Resources***

As of December 31, 2009, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ( MTN's ) due 1998 (accrued interest on December 31, 2009 was U.S. \$418,176). As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ( MTN's ) due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882).

#### **Comparative fourth quarter 2009 vs third quarter 2009**

##### ***Net Sales***

Net sales increased 2% from Ps. 5,035 million for the third quarter 2009 to Ps. 4,954 million for the fourth quarter 2009. Sales in tons of finished steel decreased 6% to 518 thousand tons in the fourth quarter 2009 compared with 551 thousand tons in the third quarter 2009. The total sales outside of Mexico for the fourth quarter 2009 increased 20% to Ps. 2,826 million compared with Ps. 2,348 million for the third quarter 2009. Total Mexican sales decreased 21% to 2,090 million in the fourth quarter 2009 from Ps. 2,687 million in the third quarter 2009. The average price of steel

products sold in the fourth quarter 2009 increased approximately 5% compared to the third quarter 2009.

***Direct Cost of Sales***

Direct cost of sales increased 44% from Ps. 4,243 million in the third quarter 2009 to Ps. 6,107 million for the fourth quarter 2009. With respect to sales, in the fourth quarter 2009, the direct cost of sales represents 123%

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compared to 84% for the third quarter 2009. The average cost of raw materials used to produce steel products increased 53% in the fourth quarter 2009 versus the third quarter 2009, primarily as a result of increases in the price of scrap and certain other raw materials.

***Marginal Loss (Profit)***

Marginal loss for the fourth quarter 2009 was Ps. 1,153 million compared to Ps. 792 million of marginal profit in the third quarter 2009. The marginal loss as a percentage of net sales for the fourth quarter 2009 was 23% compared with 16% of marginal profit for the third quarter 2009. The marginal loss is due to the increase in the cost of raw materials used to produce steel products in the fourth quarter 2009 versus the third quarter 2009.

***Operating Expenses***

Operating expenses increased 18% to Ps. 635 million in the fourth quarter 2009 compared to Ps. 537 million for the third quarter 2009. Operating expenses as a percentage of net sales represented 13% during the fourth quarter 2009 and 11% during the third quarter 2009.

***Operating Loss (Income)***

Operating loss was Ps. 1,788 million in the fourth quarter 2009 compared to Ps. 255 million of operating income for the third quarter 2009. The operating loss as a percentage of net sales in the fourth quarter 2009 was 36% compared to 5% of operating income in the third quarter 2009. The operating losses due to the increase in the cost of raw materials used to produce steel products in the fourth quarter 2009 versus the third quarter 2009.

***Other Expenses (Income) net***

The company recorded other income net of Ps. 22 million in the fourth quarter 2009 compared with other income net of Ps. 7 million for the third quarter 2009.

***Impairment of Intangible Assets***

In the fourth quarter 2009, the Company recognized an impairment of Ps. 2.368 million, which diminished the value of the goodwill of Grupo San and trademark San 42 for Ps. 2.352 million and Ps. 16 million, respectively.

***Comprehensive Financial Cost***

Comprehensive financial cost for the fourth quarter 2009 was Ps. 47 million compared with a gain of Ps. 12 million for the third quarter 2009. Net interest income was Ps. 7 million in the fourth quarter 2009 compared with Ps. 13 million of net interest expense in the third quarter 2009. At the same time we registered an exchange loss of Ps. 54 million in the fourth quarter 2009 compared with an exchange gain of Ps. 25 million in the third quarter 2009.

***Income Taxes***

Income Taxes for the fourth quarter 2009 was an income of Ps. 2,213 million compared to Ps. 7 million of expense for the third quarter 2009.

***Net Loss (Income)***

As a result of the foregoing, net loss was Ps. 1,968 million in the fourth quarter 2009 compared to Ps. 267 million of net income in the third quarter 2009.

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## **Comparative fourth quarter 2009 vs fourth quarter 2008**

### ***Net Sales***

Net sales decreased 35% from Ps. 7,618 million for the fourth quarter 2008 to Ps. 4,954 million for the fourth quarter 2009. Sales in tons of finished steel decreased 9% to 518 thousand tons in the fourth quarter 2009 compared with 567 thousand tons in the fourth quarter 2008. The total sales outside of Mexico for the fourth quarter 2009 decreased 43% to Ps. 2,826 million compared with Ps. 4,983 million for the fourth quarter 2008. Total Mexican sales decreased 19% to 2,128 million in the fourth quarter 2009 from Ps. 2,635 million in the fourth quarter 2008. The average price of steel products sold in the fourth quarter 2009 decreased approximately 29% compared to the fourth quarter 2008.

### ***Direct Cost of Sales***

Direct cost of sales decreased 17% from Ps. 7,327 million in the fourth quarter 2008 to Ps. 6,107 million for the fourth quarter 2009. With respect to sales, in the fourth quarter 2009, the direct cost of sales represents 123% compared to 96% for the fourth quarter 2008. The average cost of raw materials used to produce steel products decreased 9% in the fourth quarter 2009 compared the fourth quarter 2008, primarily as a result of decreases in the price of scrap and certain other raw materials.

### ***Marginal Loss (Profit)***

Marginal loss for the fourth quarter 2009 was Ps. 1,153 million compared to a gain Ps. 291 million in the fourth quarter 2008. The marginal loss as a percentage of net sales for the fourth quarter 2009 was 23% compared with 4% of marginal profit for the fourth quarter 2008. The decline in marginal profit is primarily due to the decrease in the prices of finished products during the fourth quarter 2009 compared with the fourth quarter 2008.

### ***Operating Expenses***

Operating expenses decreased 31% to Ps. 635 million in the fourth quarter 2009 compared to Ps. 916 million for the fourth quarter 2008. Operating expenses as a percentage of net sales represented 13% during the fourth quarter 2009 and 12% during the fourth quarter 2008.

### ***Operating Loss***

Operating loss was Ps. 1,788 million in the fourth quarter 2009 compared to Ps. 625 million of operating loss for the fourth quarter 2008. The operating loss as a percentage of net sales in the fourth quarter 2009 was 36% compared to operating loss of 8% in the fourth quarter 2008. The operating loss is primarily due to the decrease in the prices of finished products during the fourth quarter 2009 compared with the fourth quarter 2008.

### ***Other Income (Expenses) net***

The company recorded other income net of Ps. 22 million in the fourth quarter 2009 compared with other income expense net of Ps. 57 million for the fourth quarter 2008.

### ***Impairment of Intangible Assets***

In the fourth quarter 2009, the Company recognized an impairment of Ps. 2.368 million, which diminished the value of the goodwill of Grupo San and trademark San 42 for Ps. 2.352 million and Ps. 16 million, respectively.

***Comprehensive Financial Cost***

Comprehensive financial cost for the fourth quarter 2009 represented an expense of Ps. 47 million compared with a gain of Ps. 59 million for the fourth quarter 2008. Net interest income was Ps. 7 million in the fourth quarter 2009 compared with Ps. 2 million of net interest expense in the fourth quarter 2008. At the same time we registered an exchange loss of Ps. 54 million in the fourth quarter 2009 compared with an exchange gain of Ps. 61 million in the fourth quarter 2008.

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**Income Taxes**

Income Taxes for the fourth quarter 2009 was an income of Ps. 2,213 million compared to Ps. 172 million of income for the fourth quarter 2008.

**Net Loss**

As a result of the foregoing, net loss was Ps. 1,968 million in the fourth quarter 2009 compared to Ps. 451 million of net loss in the fourth quarter 2008.

	Year ended December 31, 2009	Year ended December 31, 2008	2009 vs. 2008
Sales	19,232	35,185	(45%)
Cost of Sales	17,717	29,796	(41%)
Marginal Profit	1,515	5,389	(72%)
Operating Expenses	2,301	2,274	1%
Operating (Loss) Income	(786)	3,115	(125%)
EBITDA	262	3,982	(93%)
Net (Loss) Income	(1,175)	1,900	(162%)
Sales outside Mexico	8,935	24,471	(63%)
Sales in México	10,297	10,714	(4%)
Total sales (tons)	2,046	2,924	(30%)

(Millions of pesos)	4Q 09	3Q 09	4Q 08	4Q 09 vs 3Q 09	4Q 09 vs 4Q 08
Sales	4,954	5,035	7,618	(2%)	(35%)
Cost of Sales	6,107	4,243	7,327	44%	(17%)
Marginal (Loss) Profit	(1,153)	792	291	(246%)	(496%)
Operating Expenses	635	537	916	18%	(31%)
Operating (Loss) Income	(1,788)	255	(625)	(801%)	186%
EBITDA	(1,552)	522	(160)	(397%)	870%
Net (Loss) Income	(1,968)	267	(451)	(837%)	336%
Sales outside Mexico	2,826	2,348	4,983	20%	(43%)
Sales in México	2,128	2,687	2,635	(21%)	(19%)
Total sales (tons)	518	551	567	(6%)	(9%)

Product	Thousands of tons	Million of pesos	Average price per	Thousands of tons	Million of pesos	Average price per
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	Year ended December 31, 2009	Year ended December 31, 2009	ton Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2008	ton Year ended December 31, 2008
SPECIAL PROFILES	981	10,819	11,029	2,156	27,358	12,689
COMMERCIAL PROFILES	1,065	8,413	7,899	768	7,827	10,191
Total	2,046	19,232	9,400	2,924	35,185	12,033



Product	Thousands of tons 4Q 09	Millions of pesos 4Q 09	Average price per ton 4Q 09	Thousands of tons 3Q 09	Millions of pesos 3Q 09	Average price per ton 3Q 09	Thousands of tons 4Q 08	Millions of pesos 4Q 08	Average price per ton 4Q 08
SPECIAL PROFILES	290	3,281	11,315	260	2,812	10,815	356	5,635	15,830
COMMERCIAL PROFILES	228	1,673	7,337	291	2,223	7,640	211	1,983	9,396
<b>Total</b>	518	4,954	9,564	551	5,035	9,138	567	7,618	13,435

*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: 2009

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

**FINANCIAL STATEMENT NOTES**

**AUDITED**

**CONSOLIDATED**

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

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

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

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

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

**c. Cash and cash equivalents** The Company considers short-term investments with original maturities not greater than three months to be cash equivalent. Cash equivalents include temporary investments and Mexican Government Treasury Bonds, and are stated at market value, which approximates cost plus earned interest. Any increase in market value is credited to operations for the period.

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

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

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

**e. Derivative financial instruments** During 2009, 2008 and 2007 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 2009, 2008 and 2007 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.

**f. Property, plant and equipment** Property, plant and equipment of domestic origin are restated by using factors derived from The National Consumer Price Index ( NCPI ) from the date of their acquisition, and imported machinery and equipment are restated by applying devaluation and inflation factors of the country of origin, until December 31, 2007. Depreciation recorded in the consolidated statement of income (loss) is computed based upon the estimated useful life and the restated cost of each asset. In addition, Financial expense incurred during the construction period is capitalized as construction in progress. The estimated useful lives of assets as of December 31, 2009 are as follows:

	<u>Years</u>
Buildings	15 to 50
Machinery and equipment	10 to 40
Buildings and improvements (Republic)	10 to 25
Land improvements (Republic)	5 to 25
Machinery and equipment (Republic)	5 to 20

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

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

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

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

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

**j. Income taxes** In 1999, the Mexican Institute of Public Accountants issued Bulletin D-4, Accounting for Income and Asset Taxes and Employee Profit Sharing, which is effective for all fiscal years beginning January 1, 2000. Bulletin D-4 establishes financial accounting and reporting standards for the effects of asset tax, income tax and employee profit sharing that result from enterprise activities during the current and preceding years.

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

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

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

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

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

Applying the prevailing historical exchange rate for nonmonetary assets and liabilities and for stockholders' equity accounts.

Applying the prevailing the historical exchange rate at the consolidated balance sheet date for revenues and expenses during the reporting period

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

**l. Geographic concentration of credit risk** The Company sells its products primarily to distributors for the construction industry with no specific geographic concentration. Additionally, no single customer accounted for a significant amount of the Company's sales, and there were no significant accounts receivable from a single customer or affiliate at December 31, 2009 sales to five customers accounted for approximately 26% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes and allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

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

## **(2) Financial Debt:**

As of December 31, 2009, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes (MTNs) due 1998 (accrued interest on December 31, 2009 was U.S. \$418,176). As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8%

medium-term notes ( MTN s ) due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882).

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**(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. 6,155 (U.S. \$471,298) at December 31, 2009, (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.

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**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**QUARTER: **4** YEAR: **2009**

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

**RELATIONS OF SHARES INVESTMENTS**

CONSOLIDATED

**AUDITED**

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 Aceros de Tlaxcala	Sales of steel products		99.95
Siderúrgica de Baja California	Sales of steel products		99.95



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Corporación Aceros DM	Sub-Holding		99.99
Productos Siderurgicos de Tlaxcala	Sales of steel products		100.00
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
Arrendadora Norte de Matamoros	Land		85.00
Procesadora Industrial	Administrative services		99.99
Acero Transporte San	Freight services		100.00
Simec International 2	Production and sales of steel products		99.99
Simec International 3	Production and sales of steel products		99.99
Simec International 4	Production and sales of steel products		99.99
Simec International 5	Production and sales of steel products		99.99
Simec Acero	Sales of steel products		100.00
Simec USA	Sales of steel products		100.00
Pacific Projects	Administrative services		100.00
<b>TOTAL INVESTMENT IN SUBSIDIARIES</b>			
<b>ASSOCIATEDS</b>			
			0
<b>TOTAL INVESTMENT IN ASSOCIATEDS</b>			0
<b>OTHER PERMANENT INVESTMENTS</b>			0.00
<b>TOTAL</b>			0

NOTES

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: SIMEC

QUARTER: 4 YEAR: 2009

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

**CREDITS BREAK DOWN  
(THOUSANDS OF MEXICAN PESOS)**

CONSOLIDATED

AUDITED

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					
			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	Until 5 Years or More
<b>BANKS</b>														
With Warranty			0	0	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	0
<b>LISTED IN THE STOCK EXCHANGE</b>														
<b>UNSECURED DEBT</b>														
Medium Term Notes	15/12/1998	9.33	0	0	0	0	0	0	0	3,944	0	0	0	0
<b>TOTAL STOCK</b>			0	0	0	0	0	0	0	3,944	0	0	0	0

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<b>EXCHANGE</b>														
<b>SUPPLIERS</b>														
Various			0	517,546	0	0	0	0	0	1,379,279	0	0	0	0
<b>TOTAL SUPPLIERS</b>			0	517,546	0	0	0	0	0	1,379,279	0	0	0	0
<b>OTHER LOANS WITH COST</b>														
Various										740,285				
<b>TOTAL</b>			0	0	0	0	0	0	0	740,285	0	0	0	0

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<b>OTHER CURRENT LIABILITIES WITHOUT COST</b>														
Various			0	685,544	0	0	0	0	0	406,827	0	0	0	0
<b>TOTAL</b>			0	685,544	0	0	0	0	0	406,827	0	0	0	0
<b>TOTAL</b>			0	1,203,090	0	0	0	0	0	2,530,335	0	0	0	0

**NOTES:** The exchange rate of the peso to the U.S. Dollar at December 31, 2009 was Ps. 13.0587

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: SIMEC

QUARTER: 4 YEAR: 2009

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

**MONETARY FOREIGN CURRENCY POSITION****(Thousands of Mexican Pesos)****CONSOLIDATED****AUDITED**

FOREIGN CURRENCY POSITION	DOLLARS		OTHER CURRENCIES		TOTAL
	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF PESOS
TOTAL ASSETS	286,062	3,735,601	0	0	3,735,601
LIABILITIES POSITION	193,621	2,528,441	145	1,894	2,530,335
SHORT TERM LIABILITIES POSITION	193,621	2,528,441	145	1,894	2,530,335
LONG TERM LIABILITIES POSITION	0	0	0	0	0
NET BALANCE	92,441	1,207,160	(145)	(1,894)	1,205,266

**NOTES**

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT DECEMBER 31, 2009 WAS PS. 13.0587

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

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

QUARTER: 4 YEAR: 2009

**DEBT INSTRUMENTS**

**CONSOLIDATED**

AUDITED

**FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE**

**MEDIUM TERM NOTES**

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

This notes was offered in the international market.

**ACTUAL SITUATION OF FINANCIAL LIMITED**

**MEDIUM TERM NOTES**

- A) Accomplished the actual situation is 3.07 times.
- B) Accomplished the actual situation is 0.26
- C) Accomplished the actual situation is 5.38

As of December 31, 2009, the remaining balance of the MTNs not exchanged amounts to Ps. 3,944 (\$302,000 dollars).

C.P. José Flores Flores  
Chief Financial Officer

**BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE**

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**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2009

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

<b>PLANT OR CENTER</b>	<b>ECONOMIC ACTIVITY</b>	<b>PLANT CAPACITY</b>	<b>UTILIZATION (%)</b>
GUADALAJARA MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	480	76.04
MEXICALI MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	250	74.04
APIZACO AND CHOLULA PLANTS	PRODUCTION AND SALES OF STEEL PRODUCTS	460	73.38
CANTON CASTER FACILITY	PRODUCTION OF BILLET	1,380	46.50
LORAIN CASTER FACILITY	PRODUCTION OF BILLET	1,150	0.00
LORAIN HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	840	32.40
LACKAWANNA HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	600	48.70
MASSILLON COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	125	46.00
GARY COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	70	26.70
ONTARIO COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	60	44.30
SAN LUIS POTOSI COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	600	85.47

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

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

QUARTER: 4 YEAR: 2009

**MAIN RAW MATERIALS**

**CONSOLIDATED**

**AUDITED**

<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	34.60
SCRAP	VARIOUS	PLANTS IN MEXICO			55.60
FERROALLOYS	VARIOUS	PLANTS IN MEXICO		YES	7.75
PLANTS IN USA		FERROALLOYS	VARIOUS	NO	6.10
ELECTRODES	VARIOUS	PLANTS IN MEXICO	VARIOUS	YES	2.85
PLANTS IN USA		ELECTRODES	VARIOUS	NO	2.70



**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

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

QUARTER: 4 YEAR: 2009

**SELLS DISTRIBUTION BY PRODUCT**

**CONSOLIDATED**

**DOMESTIC SALES**

**AUDITED**

MAIN PRODUCTS	NET SALES		MAIN DESTINATION	
	VOLUME	AMOUNT	TRADEMARKS	CUSTOMERS
COMMERCIAL PROFILES	934	7,248,534		
SPECIAL PROFILES	356	3,048,300		
<b>T O T A L</b>		<b>10,296,834</b>		
<b>FOREIGN SALES</b>		<b>8,934,695</b>		
<b>TOTAL</b>		<b>19,231,529</b>		

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**QUARTER: **4** YEAR: **2009**

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

**SELLS DISTRIBUTION BY PRODUCT**

**CONSOLIDATED**

**FOREIGN SALES**

**AUDITED**

MAIN PRODUCTS	NET SELLS		MAIN	
	VOLUME	AMOUNT	TRADEMARKS	CUSTOMERS
<b>EXPORTS</b>				
COMMERCIAL PROFILES	66	536,771		
SPECIAL PROFILES	54	533,175		
<b>FOREIGN SUBSIDIARIES</b>				
SPECIAL PROFILES	637	7,864,749		
<b>TOTAL</b>		<b>8,934,695</b>		

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 4 YEAR: **2009**

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

**CONSTRUCTION IN PROGRESS**

**CONSOLIDATED**

**AUDITED**

THE PROJECTS IN PROGRESS AT DECEMBER 31, 2009, ARE:

<b>PROJECTS IN PROGRESS</b>	<b>TOTAL INVESTMENT</b>
PROJECTS IN REPUBLIC	250,636
PROJECTS IN MEXICALI	4,291
PROJECTS IN TLAXCALA	67,194
PROJECTS IN GUADALAJARA	16,929
PROJECTS IN SAN LUIS POTOSI	20,467
<b>TOTAL INVESTMENT AT DECEMBER 31, 2009</b>	<b><u>359,517</u></b>

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**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: SIMEC

QUARTER: 4 YEAR: 2009

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**

**AUDITED**

**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.

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**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**QUARTER: **4** YEAR: **2009**

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

**CONSOLIDATED**

**INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK  
CHARACTERISTICS OF THE SHARES**

**AUDITED**

SERIES	NOMINAL VALUE	VALID COUPON	NUMBER OF SHARES			CAPITAL STOCK (Thousands of Pesos)		
			FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUBSCRIPTION	FIXED	VARIABLE
B			90,850,050	406,859,164	0	497,709,214	441,786	1,978,444
<b>TOTAL</b>			<b>90,850,050</b>	<b>406,859,164</b>	<b>0</b>	<b>497,709,214</b>	<b>441,786</b>	<b>1,978,444</b>

**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: 2009

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

**CONSOLIDATED**

**AUDITED**

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

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

**ING LUIS GARCIA LIMON  
CHIEF EXECUTIVE OFFICER**

**C.P. JOSE FLORES FLORES  
CHIEF FINANCIAL OFFICER**

**GUADALAJARA, JAL, AT APRIL 29 OF 2010.**

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