

GROUP SIMEC SA DE CV

Form 6-K

May 03, 2011

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, 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

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 3, 2011.

By: /s/ Luis García Limón

Name: Luis García Limón

Title: Chief Executive Officer

GUADALAJARA, MEXICO, May 2, 2011- Grupo Simec, S.A.B. de C.V. (AMEX: SIM) (Simec) announced today its results of operations for the three-month period ended March 31, 2011.

Comparative first quarter of 2011 vs. first quarter of 2010

Net Sales

Net sales of the company increased 3% by the combination of: improved in the sales price and fall of volume of shipments, sales rose from Ps. 6,393 millions in the first quarter of 2010 to Ps. 6,565 millions in the same period of 2011. Shipments of finished steel products decreased 11%, from 604 thousand tons in the first quarter of 2010 compared to 538 thousand tons in the same period of 2011. Total sales outside of Mexico in the first quarter of 2011 increased 9% to Ps. 3,678 millions compared to Ps. 3,380 millions in the same period of 2010. The Mexican sales decreased 4% from Ps. 3,013 millions in the first quarter of 2010 to Ps. 2,887 millions in the same period of 2011. The increase in sales can be explained due to improvement in the price of the subsidiary Simrep, because the volume of tons shipments in both periods are similar, while the finished products of the facilities of Mexico showed a fall in the first quarter of 2011, by the failure of the transformer in the plant of Guadalajara. Comparatively with the same period of 2010, sales in volume decreased 66 thousand shipment in 2011. The average price of steel products increased 15% in the first quarter of 2011 compared with the same period of 2010.

Direct Cost of Sales

Direct cost of sales increased 5% from Ps. 5,391 millions in the first quarter of 2010 to Ps. 5,682 millions in the same period of 2011. Direct cost of sales as a percentage of net sales in the first quarter of 2011 represented 87% compared to 84% the same period of previous year. The increase is due to increase in price of raw materials. The average cost of finished steel products in the first quarter of 2011 increased 18% compared to the same period of 2010.

Marginal Profit

Marginal profit of the company for the same period decreased 12% from Ps. 1,002 millions in 2010 to Ps. 883 millions in the same period of 2011. Marginal profit as a percentage of net sales in the first quarter of 2011 was 13% and for the same period of 2010 was 16%. The fall in marginal profit is due to fall in volume of shipments and increase in raw materials during the first quarter of 2011 compared with the same period of 2010.

Operating Expenses

Operating expenses decrease 20% to Ps. 282 millions in the first quarter of 2011 compared to Ps. 354 millions in the same period of 2010, and represented 4% of net sales in the first quarter of 2011 and 6% in the first quarter of 2010.

Operating Income

Operating income decreased 7% from Ps. 648 millions for the first quarter of 2010 compared to Ps. 601 millions in the same period of 2011. Operating income as a percentage of net sales was 10% in the first quarter of 2010 compared to 9% in the same period of 2011. The decreased in operating income is due to fall in volume of shipments, increased in raw material during the first quarter of 2011 compared with the same period of 2010.

EBITDA

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The ebitda of the company for the first quarter of 2011, show a decreased of 8%, by the above mentioned, to fall from Ps. 906 millions in the first quarter of 2010 compared against Ps. 831 millions of the first quarter of 2011,

Comprehensive Financial Cost

Comprehensive financial cost in the first quarter of 2011 represented an expense of Ps. 84 millions compared with an expense of Ps. 24 millions in the same period of 2010. Net interest income was Ps. 2 millions in the first quarter of 2011 compared with a net gain of Ps. 3 millions in the same period of 2010. At the same time, Simec registered an exchange loss of Ps. 86 millions in the first quarter of 2011 compared with an exchange loss of Ps. 27 millions in the same period of 2010, due to 5.3% revaluation of the peso versus the dollar as of March 31, 2011 compared to December 31, 2010.

Other Expenses (Income) net

The company recorded other income net of Ps. 1 millions in the first quarter of 2011 compared to other income net of Ps. 10 millions in the same period of 2010.

Income Taxes

Income Taxes recorded an income of Ps. 11 millions in the first quarter of 2011 (including the income of Ps. 33 millions of deferred income taxes) compared to an expense of Ps. 21 millions in the same period of 2010 (including the benefits of Ps. 2 millions of deferred income taxes).

Net Income

As a result of the foregoing, net income decreased 14% to Ps. 529 millions in the first quarter of 2011 versus Ps. 614 millions in the same period of 2010.

Liquidity and Capital Resources

As of March 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. 3.6 millions (accrued interest on March 31, 2011 was U.S. \$452,189, or Ps. 5.4 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 (accrued interest on December 31, 2010 was U.S. \$445,314).

Comparative first quarter of 2011 vs. fourth quarter of 2010

Net Sales

Net sales of the company increased 17% from Ps. 5,615 millions of the fourth quarter of 2010 to Ps. 6,565 millions to the first quarter of 2011. Sales in tons of finished steel increased 3% from 522 thousand tons in the fourth quarter of 2010 compared with 538 thousand tons in the first quarter of 2011. The total sales outside of Mexico for the first quarter of 2011 increased 19% to Ps. 3,094 millions in the fourth quarter of 2010, compared with Ps. 3,678 millions for the first quarter of 2011. The Mexican sales increased 15% from Ps. 2,521 millions in the fourth quarter of 2010 to Ps. 2,887 millions in the first quarter of 2011. Prices of finished products sold in the first quarter 2011 increased 13% compared to the fourth quarter 2010.

Direct Cost of Sales

Direct cost of sales increased 11% from Ps. 5,136 millions in the fourth quarter of 2010 to Ps. 5,682 millions in the first quarter of 2011. With respect to sales, in the first quarter of 2011, the direct cost of sales represent 87% compared to 91% for the fourth quarter of 2010. The average cost of raw materials used to produce steel products increased 7%

in the first quarter of 2011 versus the fourth quarter of 2010, primarily as a result of increase in the volume of shipments and increases in the price of raw materials.

Marginal (Loss) Profit

Marginal profit for the first quarter of 2011 grew to Ps. 883 millions compared with the profit of Ps. 479 millions in the fourth quarter of 2010, this represented an increased of 84%. The marginal profit as a percentage of net

sales for the first quarter of 2011 was 13% compared with 9% for the fourth quarter of 2010. The increase in marginal profit is due to the swift improved in the volume of the shipments and improved of the sales price.

Operating Expenses

Operating expenses represented to Ps. 282 millions in the first quarter of 2011 versus Ps. 325 millions in the fourth quarter of 2010, equivalent to a decreased of 13%. Operating expenses as a percentage of net sales represented 4% during the first quarter of 2011 and 6% for the fourth quarter of 2010.

Operating (Loss) Income

Operating income was Ps. 601 millions in the first quarter of 2011 compared to Ps. 154 millions of the fourth quarter of 2010. The operating income increase 290% between both quarters. The operating income as a percentage of net sales in the first quarter of 2011 was 9% compared to a operating loss of 3% in the fourth quarter 2010. The increase in operating income is due to the improved in shipments and sales price for the first quarter of 2011 compared with the fourth quarter of 2010.

EBITDA

The ebitda of the first quarter of 2011 was of Ps. 831 millions compared to Ps. 402 millions of the fourth quarter of 2010, an increased of Ps 429 millions.

Comprehensive Financial Cost

Comprehensive financial cost for the first quarter of 2011 represented an expense of Ps. 84 millions compared with an expense of Ps. 10 millions for the fourth quarter of 2010. Net interest income was Ps. 2 millions in the first quarter of 2011 compared with a zero cost in the fourth quarter of 2010. At the same time we registered an exchange net loss of Ps. 86 millions in the first quarter of 2011 compared with an exchange net loss of Ps. 10 millions in the fourth quarter of 2010.

Other Expenses (Income) net

The company recorded other income net of Ps. 1 millions in the first quarter of 2011 compared with other expenses net of Ps. 14 millions for the fourth quarter of 2010.

Income Taxes

Income Taxes, the company recorded an income of Ps. 11 millions in the first quarter of 2011 (include an income of income tax deferred for Ps 33 millions) compared against an income of Ps. 85 millions of income for income tax for the fourth quarter of 2010.

Income (Loss)

As a result of the foregoing, the company recorded a net income of Ps. 529 millions in the first quarter 2011 compared to a net income of Ps. 215 millions in the fourth quarter 2010.

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| (Millions of pesos) | 1Q 11 | 1Q 10 | 4Q 10 | 1Q'11 vs 1Q'10 | 1Q'11 vs 4Q'10 |
|----------------------|-------|-------|-------|-------------------|-------------------|
| Sales | 6,565 | 6,393 | 5,615 | 3% | 17% |
| Cost of Sales | 5,682 | 5,391 | 5,136 | 5% | 11% |
| Gross Profit | 883 | 1,002 | 479 | (12%) | 84% |
| Operating Expenses | 282 | 354 | 325 | (20%) | (13%) |
| Operating Profit | 601 | 648 | 154 | (7%) | 290% |
| EBITDA | 831 | 906 | 402 | (8%) | 107% |
| Net Profit | 529 | 614 | 215 | (14%) | 146% |
| Sales outside Mexico | 3,678 | 3,380 | 3,094 | 9% | 19% |
| Sales in México | 2,887 | 3,013 | 2,521 | (4%) | 15% |
| Total sales (tons) | 538 | 604 | 522 | (11%) | 3% |

| Product | | | | | | | | | |
|---------|--------------------------------|-------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| | Thousands of tons 1Q '11 | Millions of pesos 1Q'11 | Average price per ton 1Q'11 | Thousands of tons 1Q'10 | Millions of pesos 1Q'10 | Average price per ton 1Q'10 | Thousands of tons 4Q'10 | Millions of pesos 4Q'10 | Average price per ton 4Q'10 |

| | | | | | | | | | |
|---------------------------|-----|-------|--------|-----|-------|--------|-----|-------|--------|
| Comercial Profiles | 234 | 2,362 | 10,094 | 284 | 2,488 | 8,760 | 261 | 2,428 | 9,303 |
| Special Profiles | 304 | 4,203 | 13,825 | 320 | 3,905 | 12,203 | 261 | 3,187 | 12,211 |
| | 538 | 6565 | 10,202 | 604 | 6,393 | 10,584 | 522 | 5,615 | 10,757 |

The comparative table of the three Quarter Income have been modified with the full cost system

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: 1 YEAR: **2011**

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

CONSOLIDATED FINANCIAL STATEMENT

AT MARCH 31 OF 2011 AND 2010

(thousands of Mexican pesos)

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|---|-------------------|------------|-------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| s01 | TOTAL ASSETS | 27,691,000 | 100 | 27,449,233 | 100 |
| s02 | CURRENT ASSETS | 14,102,998 | 51 | 13,321,144 | 49 |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 3,510,387 | 13 | 1,915,544 | 7 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 2,925,469 | 11 | 3,407,404 | 12 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE | 765,750 | 3 | 1,488,539 | 5 |
| s06 | INVENTORIES | 6,819,309 | 25 | 6,245,142 | 23 |
| s07 | OTHER CURRENT ASSETS | 82,083 | 0 | 264,515 | 1 |
| s08 | LONG-TERM | 0 | 0 | 0 | 0 |
| 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 |
| s12 | PROPERTY, PLANT AND EQUIPMENT (NET) | 9,401,542 | 34 | 9,587,893 | 35 |
| s13 | LAND AND BULIDINGS | 3,982,923 | 14 | 3,722,224 | 14 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 13,039,574 | 47 | 12,869,908 | 47 |
| s15 | OTHER EQUIPMENT | 237,805 | 1 | 232,483 | 1 |
| s16 | ACCUMULATED DEPRECIATION | 8,285,512 | 30 | 7,627,548 | 28 |
| s17 | CONSTRUCTION IN PROGRESS | 426,752 | 2 | 390,826 | 1 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 4,030,844 | 15 | 4,398,698 | 16 |
| s19 | OTHER ASSETS | 155,616 | 1 | 141,498 | 1 |
| s20 | TOTAL LIABILITIES | 6,807,387 | 100 | 7,092,796 | 100 |
| s21 | CURRENT LIABILITIES | 4,093,462 | 60 | 4,291,458 | 61 |
| s22 | SUPPLIERS | 2,598,994 | 38 | 2,303,126 | 32 |
| s23 | BANK LOANS | 0 | 0 | 0 | 0 |
| s24 | STOCK MARKET LOANS | 3,614 | 0 | 3,764 | 0 |

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| | | | | | |
|------------|---|-------------------|------------|-------------------|------------|
| s103 | OTHER LOANS WITH COST | 581,130 | 9 | 774,315 | 11 |
| s25 | TAXES PAYABLE | 387,049 | 6 | 181,507 | 3 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 522,675 | 8 | 1,028,746 | 15 |
| 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 | 2,713,925 | 40 | 2,801,338 | 39 |
| | | | | | |
| s33 | CONSOLIDATED STOCKHOLDERS EQUITY | 20,883,613 | 100 | 20,356,437 | 100 |
| | | | | | |
| s34 | MINORITY INTEREST | 1,768,711 | 8 | 2,101,638 | 10 |
| s35 | MAJORITY INTEREST | 19,114,902 | 92 | 18,254,799 | 90 |
| s36 | CONTRIBUTED CAPITAL | 8,350,900 | 40 | 8,350,900 | 41 |
| S79 | CAPITAL STOCK | 4,142,696 | 20 | 4,142,696 | 20 |
| s39 | PREMIUM ON ISSUANCE OF SHARES | 4,208,204 | 20 | 4,208,204 | 21 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | EARNED CAPITAL | 10,764,002 | 52 | 9,903,899 | 49 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 10,462,101 | 50 | 9,645,761 | 47 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 301,901 | 1 | 258,138 | 1 |
| s80 | SHARES REPURCHASED | 0 | 0 | 0 | 0 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**QUARTER: 1 YEAR: **2011**

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

CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS

(thousands of Mexican pesos)

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|--|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 3,510,387 | 100 | 1,915,544 | 100 |
| s46 | CASH | 700,135 | 20 | 972,927 | 51 |
| s47 | SHORT-TERM INVESTMENTS | 2,810,252 | 80 | 942,617 | 49 |
| s07 | OTHER CURRENT ASSETS | 82,083 | 100 | 264,515 | 100 |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s83 | OTHER | 82,083 | 100 | 264,515 | 100 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 4,030,844 | 100 | 4,398,698 | 100 |
| s48 | DEFERRED EXPENSES | 2,222,085 | 55 | 2,591,121 | 59 |
| s49 | GOODWILL | 1,797,672 | 45 | 1,798,293 | 41 |
| s51 | OTHER | 11,087 | 0 | 9,284 | 0 |
| s19 | OTHER ASSETS | 155,616 | 100 | 141,498 | 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 | 155,616 | 100 | 141,498 | 100 |
| s21 | CURRENT LIABILITIES | 4,093,462 | 100 | 4,291,458 | 100 |
| s52 | FOREIGN CURRENCY LIABILITIES | 2,906,823 | 71 | 2,863,780 | 67 |
| s53 | MEXICAN PESOS LIABILITIES | 1,186,639 | 29 | 1,427,678 | 33 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 522,675 | 100 | 1,028,746 | 100 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 45,961 | 9 | 211,104 | 21 |
| s89 | INTEREST LIABILITIES | 5,413 | 1 | 5,300 | 1 |
| s68 | PROVISIONS | 0 | 0 | 0 | 0 |

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| | | | | | |
|------------|---|------------------|------------|------------------|------------|
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 471,301 | 90 | 812,342 | 79 |
| | | | | | |
| s27 | LONG-TERM LIABILITIES | 0 | 100 | 0 | 100 |
| s59 | FOREIGN CURRENCY LIABILITIES | 0 | 0 | 0 | 0 |
| s60 | MEXICAN PESOS LIABILITIES | 0 | 0 | 0 | 0 |
| | | | | | |
| s31 | DEFERRED LIABILITIES | 0 | 100 | 0 | 100 |
| s65 | NEGATIVE GOODWILL | 0 | 0 | 0 | 0 |
| s67 | OTHER | 0 | 0 | 0 | 0 |
| | | | | | |
| s32 | OTHER NON CURRENT LIABILITIES WITHOUT COST | 2,713,925 | 100 | 2,801,338 | 100 |
| s66 | DEFERRED TAXES | 2,630,015 | 97 | 2,709,898 | 97 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 34,410 | 1 | 31,852 | 1 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 49,500 | 2 | 59,588 | 2 |
| | | | | | |
| s79 | CAPITAL STOCK | 4,142,696 | 100 | 4,142,696 | 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**
GRUPO SIMEC, S.A.B. DE C.V.QUARTER: 1 YEAR: **2011****CONSOLIDATED FINANCIAL STATEMENT**
BREAKDOWN OF MAIN CONCEPTS
(thousands of Mexican pesos)

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|--|-------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 10,462,101 | 100 | 9,645,761 | 100 |
| 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 | 9,778,636 | 93 | 8,875,093 | 92 |
| s45 | NET INCOME FOR THE YEAR | 482,853 | 5 | 570,056 | 6 |
| | | | | | |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 301,901 | 100 | 258,138 | 100 |
| 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 | 333,887 | 118 | 405,914 | 157 |
| s97 | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | (31,986) | (11) | (147,776) | (57) |
| 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: 1 YEAR: **2011**

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

**BALANCE SHEETS
OTHER CONCEPTS**
(thousands of Mexican pesos)

| REF S | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------------|--|---------------------|----------------------|
| | | AMOUNT | AMOUNT |
| S72 | WORKING CAPITAL | 10,009,536 | 9,029,686 |
| S73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| S74 | EXECUTIVES (*) | 54 | 55 |
| S75 | EMPLOYERS (*) | 1,455 | 1,539 |
| S76 | WORKERS (*) | 3,081 | 2,787 |
| 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 | 581,130 | 770,229 |

(*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**
GRUPO SIMEC, S.A.B. DE C.V.QUARTER: 1 YEAR: **2011****STATEMENTS OF INCOME**
FROM JANUARY 1 TO MARCH 31 OF 2011 AND 2010
(thousands of Mexican pesos)

| REF R | CATEGORIES | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|---|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 6,565,451 | 100 | 6,392,994 | 100 |
| r02 | COST OF SALES | 5,682,267 | 87 | 5,268,797 | 82 |
| r03 | GROSS PROFIT | 883,184 | 13 | 1,124,197 | 18 |
| r04 | OPERATING EXPENSES | 282,259 | 4 | 512,081 | 8 |
| r05 | OPERATING INCOME | 600,925 | 9 | 612,116 | 10 |
| r08 | OTHER INCOME AND (EXPENSE), NET | 938 | 0 | 10,229 | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | (84,279) | (1) | (24,346) | 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 | 517,584 | 8 | 597,999 | 9 |
| r10 | INCOME TAXES | (11,169) | 0 | 20,534 | 0 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 528,753 | 8 | 577,465 | 9 |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| r18 | NET CONSOLIDATED INCOME | 528,753 | 8 | 577,465 | 9 |
| r19 | NET INCOME OF MINORITY INTEREST | 45,900 | 1 | 7,409 | 0 |
| r20 | NET INCOME OF MAJORITY INTEREST | 482,853 | 7 | 570,056 | 9 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**
GRUPO SIMEC, S.A.B. DE C.V.QUARTER: 1 YEAR: **2011****STATEMENTS OF INCOME**
BREAKDOWN OF MAIN CONCEPTS
(thousands of Mexican pesos)

| REF R | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|--|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 6,565,451 | 100 | 6,392,994 | 100 |
| r21 | DOMESTIC | 2,887,125 | 44 | 3,012,812 | 47 |
| r22 | FOREIGN | 3,678,326 | 56 | 3,380,182 | 53 |
| r23 | TRANSLATED INTO DOLLARS (***) | 307,352 | 0 | 268,472 | 4 |
| | | | | | |
| r08 | OTHER INCOME AND (EXPENSE), NET | 938 | 100 | 10,229 | 100 |
| r49 | OTHER INCOME AND (EXPENSE), NET | 938 | 100 | 10,229 | 100 |
| r34 | EMPLOYEES PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| r35 | DEFERRED EMPLOYEES PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| r06 | COMPREHENSIVE FINANCING RESULT | (84,279) | 100 | (24,346) | 100 |
| r24 | INTEREST EXPENSE | 3,209 | (4) | 0 | 0) |
| r42 | GAIN (LOSS) ON RESTATEMENT OF UDI S | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 5,379 | (6) | 2,580 | (11) |
| r46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| r25 | FOREIGN EXCHANGE GAIN (LOSS), NET | (86,449) | 103 | (26,926) | 111 |
| r28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| | | | | | |
| r10 | INCOME TAXES | (11,169) | 100 | 20,534 | 100 |
| r32 | INCOME TAX | 22,133 | (198) | 22,231 | 108 |
| r33 | DEFERRED INCOME TAX | (33,302) | 298 | (1,697) | (8) |

(***) THOUSANDS OF DOLLARS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**
GRUPO SIMEC, S.A.B. DE C.V.QUARTER: 1 YEAR: **2011****STATEMENTS OF INCOME
OTHER CONCEPTS**
(thousands of Mexican pesos)

| REF R | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------------|---|---------------------|----------------------|
| | | AMOUNT | AMOUNT |
| r36 | TOTAL SALES | 6,634,778 | 6,593,212 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |
| r38 | NET SALES (**) | 24,729,052 | 20,645,867 |
| r39 | OPERATION INCOME (**) | 1,148,202 | 501,313 |
| r40 | NET INCOME OF MAJORITY INTEREST (**) | 997,481 | 918,154 |
| r41 | NET CONSOLIDATED INCOME (**) | 1,233,964 | 1,294,351 |
| r47 | OPERATIVE DEPRECIATION AND AMORTIZATION | 230,039 | 258,484 |

(**) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR: **2011**

QUARTERLY STATEMENTS OF INCOME
FROM JANUARY 1 TO MARCH 31 OF 2011 AND 2010
(thousands of Mexican pesos)

| REF R | CATEGORIES | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|--|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 6,565,451 | 100 | 6,392,994 | 100 |
| r02 | COST OF SALES | 5,682,267 | 87 | 5,268,797 | 82 |
| r03 | GROSS PROFIT | 883,184 | 13 | 1,124,197 | 18 |
| r04 | OPERATING EXPENSES | 282,259 | 4 | 512,081 | 8 |
| r05 | OPERATING INCOME | 600,925 | 9 | 612,116 | 10 |
| r08 | OTHER INCOME AND (EXPENSE), NET | 938 | 0 | 10,229 | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | (84,279) | (1) | (24,346) | 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 | 517,584 | 8 | 597,999 | 9 |
| r10 | INCOME TAXES | (11,169) | 0 | 20,534 | 0 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 528,753 | 8 | 577,465 | 9 |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| r18 | NET CONSOLIDATED INCOME | 528,753 | 8 | 577,465 | 9 |
| r19 | NET INCOME OF MINORITY INTEREST | 45,900 | 1 | 7,409 | 0 |
| r20 | NET INCOME OF MAJORITY INTEREST | 482,853 | 7 | 570,056 | 9 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR: 2011

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

| REF R | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|-------------|--|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| rt01 | NET SALES | 6,565,451 | 100 | 6,392,994 | 100 |
| rt21 | DOMESTIC | 2,887,125 | 44 | 3,012,812 | 47 |
| rt22 | FOREIGN | 3,678,326 | 56 | 3,380,182 | 53 |
| rt23 | TRANSLATED INTO DOLLARS (***) | 307,352 | 5 | 268,472 | 4 |
| | | | | | |
| rt08 | OTHER INCOME AND (EXPENSE), NET | 938 | 100 | 10,229 | 100 |
| rt49 | OTHER INCOME AND (EXPENSE), NET | 938 | 100 | 10,229 | 100 |
| rt34 | EMPLOYEES PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| rt35 | DEFERRED EMPLOYEES PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| rt06 | COMPREHENSIVE FINANCING RESULT | (84,279) | 100 | (24,346) | 100 |
| rt24 | INTEREST EXPENSE | 3,209 | (4) | 0 | 0 |
| rt42 | GAIN (LOSS) ON RESTATEMENT OF UDI S | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 5,379 | (6) | 2,580 | (11) |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE GAIN (LOSS), NET | (86,449) | 103 | (26,926) | 111 |
| rt28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| | | | | | |
| rt10 | INCOME TAXES | (11,169) | 100 | 20,534 | 100 |
| rt32 | INCOME TAX | 22,133 | (198) | 22,231 | 108 |
| rt33 | DEFERRED INCOME TAX | (33,302) | 298 | (1,697) | (8) |

(***) THOUSANDS OF DOLLARS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 1 YEAR: **2011**

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

QUARTERLY STATEMENTS OF INCOME

OTHER CONCEPTS

(thousands of Mexican pesos)

| REF RT | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|-------------------|---|-------------------------|--------------------------|
| | | AMOUNT | AMOUNT |
| rt47 | OPERATIVE DEPRECIATION AND AMORTIZATION | 230,039 | 258,484 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR: **20110**

STATE OF CASH FLOW DIRECT METHOD)
FROM JANUARY 1 TO MARCH 31 OF 2011 AND 2010
(thousands of pesos)

| REF C | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------------|---|-------------------------|--------------------------|
| | | AMOUNT | AMOUNT |
| | ACTIVITIES OF OPERATION | | |
| e01 | INCOME (LOSS) BEFORE INCOME TAXES | 517,584 | 597,999 |
| e02 | + (-) ITEMS NOT REQUIRING CASH | 0 | 0 |
| e03 | + (-) ITEMS RELATED TO INVESTING ACTIVITIES | 224,660 | 254,616 |
| e04 | + (-) ITEMS RELATED TO FINANCING ACTIVITIES | (3,596) | 0 |
| e05 | CASH FLOW BEFORE INCOME TAX | 738,648 | 852,615 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (435,997) | (896,490) |
| e07 | CASH FLOW PROVIDED OF OPERATING ACTIVITIES | 302,6561 | (43,875) |
| | INVESTMENT ACTIVITIES | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (164,645) | (51,918) |
| e09 | CASH FLOW AFTER INVESTING ACTIVITIES | 138,006 | (95,793) |
| | FINANCING ACTIVITIES | | |
| e10 | NET CASH FROM FINANCING ACTIVITIES | 0) | 63,607 |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 138,006 | (32,186) |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS | (12,536) | (1,170) |
| 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 | 3,510,387 | 1,915,544 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR: **2011**

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

| REF C | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------------|--|-------------------------|--------------------------|
| | | AMOUNT | AMOUNT |
| e02 | + (-) ITEMS NOT REQUIRING CASH | 0 | 0 |
| e15 | + ESTIMATES FOR THE PERIOD | 0 | 0 |
| e16 | + PROVISIONS FOR THE PERIOD | 0 | 0 |
| e17 | + (-) OTHER UNREALIZED ITEMS | 0 | 0 |
| | | | |
| e03 | + (-) ITEMS RELATED TO INVESTING ACTIVITIES | 224,660 | 254,616 |
| e18 | + DEPRECIATION AND AMORTIZATION FOR THE PERIOD | 230,039 | 258,484 |
| 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 | (5,379) | (2,580) |
| e24 | (-) + OTHER ITEMS | 0 | (1,288) |
| | | | |
| e04 | + (-) ITEMS RELATED TO FINANCING ACTIVITIES | (3,596) | 0 |
| e25 | + ACCRUED INTEREST | (3,596) | 0 |
| e26 | + (-) OTHER ITEMS | 0 | 0 |
| | | | |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (435,997) | (896,490) |
| e27 | + (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE | (497,748) | (1,396,044) |
| e28 | + (-) DECREASE (INCREASE) IN INVENTORIES | (406,231) | 337,077 |
| e29 | + (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLES | 51,706 | (25,282) |
| e30 | + (-) INCREASE DECREASE IN SUPPLIERS | 492,893 | 430,017 |
| e31 | + (-) INCREASE DECREASE IN OTHER LIABILITIES | (76,617) | (215,527) |
| e32 | + (-) INCOME TAXES PAID OR RETURNED | 0 | (26,731) |
| | | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (164,645) | (51,918) |
| e33 | (-) PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e34 | + DISPOSITION OF PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e35 | (-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT | (146,785) | (54,498) |

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| | | | |
|------------|---|----------|---------------|
| 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 | 5,379 | 2,580 |
| e43 | + (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS | 0 | 0 |
| e44 | + (-) OTHER ITEMS | (23,239) | 0 |
| | | | |
| e10 | NET CASH FRON FINANCING ACTIVITIES | 0 | 63,607 |
| e45 | + BANK FINANCING | 0 | 0 |
| e46 | + STOCK MARKET FINANCING | 0 | 0 |
| e47 | + OTHER FINANCING | 0 | 63,607 |
| e48 | (-) BANK FINANCING AMORTIZATION | 0 | 0 |
| e49 | (-) STOCK MARKET FINANCING AMORTIZATION | 0 | 0 |
| e50 | (-) OTHER FINANCING AMORTIZATION | 0 | 0 |
| e51 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK | 0 | 0 |
| e52 | (-) DIVIDENS PAID | 0 | 0 |
| e53 | + PREMIUM ON ISSUANCE OF SHARES | 0 | 0 |
| e54 | + CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 |
| e55 | (-) INTEREST EXPENSE | 0 | 0 |
| e56 | (-) REPURCHASE OF SHARES | 0 | 0 |
| e57 | + (-) OTHER ITEMS | 0 | 0 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR: **2011**

**DATE PER SHARE
CONSOLIDATED**

| REF D | CATEGORIES | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|------------------|---|--|---|
| | | | |
| d01 | BASIC PROFIT PER ORDINARY SHARE (**) | \$ 2.60 | \$ 2.60 |
| 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 (**) | \$ 2.60 | \$ 2.60 |
| d05 | DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**) | \$ 0.00 | \$ 0.00 |
| d08 | CARRYING VALUE PER SHARE | \$ 38.41 | \$ 36.68 |
| d09 | CASH DIVIDEND ACCUMULATED PER SHARE | \$ 0.00 | \$ 0.00 |
| d10 | DIVIDEND IN SHARES PER SHARE | 0.00 shares | 0.00 shares |
| d11 | MARKET PRICE TO CARRYING VALUE | 0.77 times | 0.99 times |
| d12 | MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE | 12.50 times | 13.95 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: 1 YEAR: **2011**

**RATIOS
CONSOLIDATED**

| REF P | CATEGORIES | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|------------------|--|--|---|
| | YIELD | | |
| p01 | NET INCOME TO NET SALES | 8.05% | 9.03% |
| p02 | NET INCOME TO STOCKHOLDERS EQUITY (**) | 5.91% | 6.36% |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 4.46% | 4.72% |
| 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 (**) | 0.89 times | 0.75 times |
| p07 | NET SALES TO FIXED ASSETS (**) | 2.63 times | 2.15 times |
| p08 | INVENTORIES TURNOVER (**) | 0.83 times | 2.89 times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 35 days | 41 days |
| p10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**) | 0.55% | 1.25% |
| | | | |
| | LEVERAGE | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 24.58% | 25.84% |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS EQUITY | 0.33 times | 0.35 times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 42.70% | 40.38% |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 0.00% | 0.00% |
| p15 | OPERATING INCOME TO INTEREST PAID | 187.26 times | 0.00 times |
| p16 | NET SALES TO TOTAL LIABILITIES (**) | 3.63 times | 2.91 times |
| | | | |
| | LIQUIDITY | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 3.45 times | 3.10 times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.78 times | 1.65 times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 2.07 times | 1.88 times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 85.76% | 44.64% |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 1 YEAR: **2011**

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

DIRECTOR REPORT

Comparative first quarter of 2011 vs. first quarter of 2010

Net Sales

Net sales of the company increased 3% by the combination of: improved in the sales price and fall of volume of shipments, sales rose from Ps. 6,393 millions in the first quarter of 2010 to Ps. 6,565 millions in the same period of 2011. Shipments of finished steel products decreased 11%, from 604 thousand tons in the first quarter of 2010 compared to 538 thousand tons in the same period of 2011. Total sales outside of Mexico in the first quarter of 2011 increased 9% to Ps. 3,678 millions compared to Ps. 3,380 millions in the same period of 2010. The Mexican sales decreased 4% from Ps. 3,013 millions in the first quarter of 2010 to Ps. 2,887 millions in the same period of 2011. The increase in sales can be explained due to improvement in the price of the subsidiary Simrep, because the volume of tons shipments in both periods are similar, while the finished products of the facilities of Mexico showed a fall in the first quarter of 2011, by the failure of the transformer in the plant of Guadalajara. Comparatively with the same period of 2010, sales in volume decreased 66 thousand shipment in 2011. The average price of steel products increased 15% in the first quarter of 2011 compared with the same period of 2010.

Direct Cost of Sales

Direct cost of sales increased 5% from Ps. 5,391 millions in the first quarter of 2010 to Ps. 5,682 millions in the same period of 2011. Direct cost of sales as a percentage of net sales in the first quarter of 2011 represented 87% compared to 84% the same period of previous year. The increase is due to increase in price of raw materials. The average cost of finished steel products in the first quarter of 2011 increased 18% compared to the same period of 2010.

Marginal Profit

Marginal profit of the company for the same period decreased 12% from Ps. 1,002 millions in 2010 to Ps. 883 millions in the same period of 2011. Marginal profit as a percentage of net sales in the first quarter of 2011 was 13% and for the same period of 2010 was 16%. The fall in marginal profit is due to fall in volume of shipments and increase in raw materials during the first quarter of 2011 compared with the same period of 2010.

Operating Expenses

Operating expenses decrease 20% to Ps. 282 millions in the first quarter of 2011 compared to Ps. 354 millions in the same period of 2010, and represented 4% of net sales in the first quarter of 2011 and 6% in the first quarter of 2010.

Operating Income

Operating income decreased 7% from Ps. 648 millions for the first quarter of 2010 compared to Ps. 601 millions in the same period of 2011. Operating income as a percentage of net sales was 10% in the first quarter of 2010 compared to 9% in the same period of 2011. The decreased in operating income is due to fall in volume of shipments, increased in raw material during the first quarter of 2011 compared with the same period of 2010.

EBITDA

The ebitda of the company for the first quarter of 2011, show a decreased of 8%, by the above mentioned, to fall from Ps. 906 millions in the first quarter of 2010 compared against Ps. 831 millions of the first quarter of 2011,

Comprehensive Financial Cost

Comprehensive financial cost in the first quarter of 2011 represented an expense of Ps. 84 millions compared with an expense of Ps. 24 millions in the same period of 2010. Net interest income was Ps. 2 millions in the first quarter of 2011 compared with a net gain of Ps. 3 millions in the same period of 2010. At the same time, Simec registered an exchange loss of Ps. 86 millions in the first quarter of 2011 compared with an exchange loss of Ps. 27 millions in the same period of 2010, due to 5.3% revaluation of the peso versus the dollar as of March 31, 2011 compared to December 31, 2010.

Other Expenses (Income) net

The company recorded other income net of Ps. 1 millions in the first quarter of 2011 compared to other income net of Ps. 10 millions in the same period of 2010.

Income Taxes

Income Taxes recorded an income of Ps. 11 millions in the first quarter of 2011 (including the income of Ps. 33 millions of deferred income taxes) compared to an expense of Ps. 21 millions in the same period of 2010 (including the benefits of Ps. 2 millions of deferred income taxes).

Net Income

As a result of the foregoing, net income decreased 14% to Ps. 529 millions in the first quarter of 2011 versus Ps. 614 millions in the same period of 2010.

Liquidity and Capital Resources

As of March 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. 3.6 millions (accrued interest on March 31, 2011 was U.S. \$452,189, or Ps. 5.4 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 (accrued interest on December 31, 2010 was U.S. \$445,314).

Comparative first quarter of 2011 vs. fourth quarter of 2010

Net Sales

Net sales of the company increased 17% from Ps. 5,615 millions of the fourth quarter of 2010 to Ps. 6,565 millions to the first quarter of 2011. Sales in tons of finished steel increased 3% from 522 thousand tons in the fourth quarter of 2010 compared with 538 thousand tons in the first quarter of 2011. The total sales outside of Mexico for the first quarter of 2011 increased 19% to Ps. 3,094 millions in the fourth quarter of 2010, compared with Ps. 3,678 millions for the first quarter of 2011. The Mexican sales increased 15% from Ps. 2,521 millions in the fourth quarter of 2010 to Ps. 2,887 millions in the first quarter of 2011. Prices of finished products sold in the first quarter 2011 increased 13% compared to the fourth quarter 2010.

Direct Cost of Sales

Direct cost of sales increased 11% from Ps. 5,136 millions in the fourth quarter of 2010 to Ps. 5,682 millions in the first quarter of 2011. With respect to sales, in the first quarter of 2011, the direct cost of sales represent 87% compared to 91% for the fourth quarter of 2010. The average cost of raw materials used to produce steel products increased 7% in the first quarter of 2011 versus the fourth quarter of 2010, primarily as a result of increase in the volume of shipments and increases in the price of raw materials.

Marginal (Loss) Profit

Marginal profit for the first quarter of 2011 grew to Ps. 883 millions compared with the profit of Ps. 479 millions in the fourth quarter of 2010, this represented an increased of 84%. The marginal profit as a percentage of net sales for the first quarter of 2011 was 13% compared with 9% for the fourth quarter of 2010. The increase in marginal profit is due to the swift improved in the volume of the shipments and improved of the sales price.

Operating Expenses

Operating expenses represented to Ps. 282 millions in the first quarter of 2011 versus Ps. 325 millions in the fourth quarter of 2010, equivalent to a decreased of 13%. Operating expenses as a percentage of net sales represented 4% during the first quarter of 2011 and 6% for the fourth quarter of 2010.

Operating (Loss) Income

Operating income was Ps. 601 millions in the first quarter of 2011 compared to Ps. 154 millions of the fourth quarter of 2010. The operating income increase 290% between both quarters. The operating income as a percentage of net sales in the first quarter of 2011 was 9% compared to a operating loss of 3% in the fourth quarter 2010. The increase in operating income is due to the improved in shipments and sales price for the first quarter of 2011 compared with the fourth quarter of 2010.

EBITDA

The ebitda of the first quarter of 2011 was of Ps. 831 millions compared to Ps. 402 millions of the fourth quarter of 2010, an increased of Ps 429 millions.

Comprehensive Financial Cost

Comprehensive financial cost for the first quarter of 2011 represented an expense of Ps. 84 millions compared with an expense of Ps. 10 millions for the fourth quarter of 2010. Net interest income was Ps. 2 millions in the first quarter of 2011 compared with a zero cost in the fourth quarter of 2010. At the same time we registered an exchange net loss of Ps. 86 millions in the first quarter of 2011 compared with an exchange net loss of Ps. 10 millions in the fourth quarter of 2010.

Other Expenses (Income) net

The company recorded other income net of Ps. 1 millions in the first quarter of 2011 compared with other expenses net of Ps. 14 millions for the fourth quarter of 2010.

Income Taxes

Income Taxes, the company recorded an income of Ps. 11 millions in the first quarter of 2011 (include an income of income tax deferred for Ps 33 millions) compared against an income of Ps. 85 millions of income for income tax for the fourth quarter of 2010.

Income (Loss)

As a result of the foregoing, the company recorded a net income of Ps. 529 millions in the first quarter 2011 compared to a net income of Ps. 215 millions in the fourth quarter 2010.

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| (Millions of pesos) | 1Q 11 | 1Q 10 | 4Q 10 | 1Q'11 vs 1Q'10 | 1Q'11 vs 4Q'10 |
|----------------------|-------|-------|-------|----------------|----------------|
| Sales | 6,565 | 6,393 | 5,615 | 3% | 17% |
| Cost of Sales | 5,682 | 5,391 | 5,136 | 5% | 11% |
| Gross Profit | 883 | 1,002 | 479 | (12%) | 84% |
| Operating Expenses | 282 | 354 | 325 | (20%) | (13%) |
| Operating Profit | 601 | 648 | 154 | (7%) | 290% |
| EBITDA | 831 | 906 | 402 | (8%) | 107% |
| Net Profit | 529 | 614 | 215 | (14%) | 146% |
| Sales outside Mexico | 3,678 | 3,380 | 3,094 | 9% | 19% |
| Sales in México | 2,887 | 3,013 | 2,521 | (4%) | 15% |
| Total sales (tons) | 538 | 604 | 522 | (11%) | 3% |

| Product | | | | | | | | | |
|---------|--------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|
| | Thousands of tons 1Q '11 | Millions of pesos 1Q'11 | Average price per ton 1Q'11 | Thousands of tons 1Q'10 | Millions of pesos 1Q'10 | Average price per ton 1Q'10 | Thousands of tons 4Q'10 | Millions of pesos 4Q'10 | Average price per ton 4Q'10 |

| | | | | | | | | | |
|--------------------|-----|-------|--------|-----|-------|--------|-----|-------|--------|
| Comercial Profiles | 234 | 2,362 | 10,094 | 284 | 2,488 | 8,760 | 261 | 2,428 | 9,303 |
| Special Profiles | 304 | 4,203 | 13,825 | 320 | 3,905 | 12,203 | 261 | 3,187 | 12,211 |
| | 538 | 6565 | 10,202 | 604 | 6,393 | 10,584 | 522 | 5,615 | 10,757 |

The comparative table of the three Quarter Income have been modified with the full cost system

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

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR: **2011**

FINANCIAL STATEMENT NOTES

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 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.

e.- Derivative financial instruments-- During 2010, 2009 and 2008 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 2010, 2009 and 2008 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, 2010 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, 2010 sales of ten customers accounted for approximately 25% 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 March 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. 3.6 million (accrued interest on March 31, 2011 was U.S. \$452,297, or Ps. 3.7 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 (accrued interest on December 31, 2010 was U.S. \$445,314).

(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. 5,077 (U.S. \$424,207) at March 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**
GRUPO SIMEC, S.A.B. DE C.V.QUARTER: 1 YEAR: **2011****RELATIONS OF SHARES INVESTMENTS**

CONSOLIDATED

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

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| | | | |
|---|--|--|--------|
| 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 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 |
| TOTAL INVESTMENT IN SUBSIDIARIES | | | |
| ASSOCIATEDS | | | |
| | | | 0 |
| TOTAL INVESTMENT IN ASSOCIATEDS | | | 0 |
| OTHER PERMANENT INVESTMENTS | | | 0.00 |
| TOTAL | | | 0 |

NOTES

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

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

QUARTER: 1 YEAR:2011

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

CONSOLIDATED

| | Amortization | Rate of | Denominated in Pesos (Thousands of Pesos) | | | | | Denominated in Foreign Currency (Thousands of Pesos) | | | | | | |
|-------------------------------------|--------------|----------|---|---------|---------|---------|---------|--|---------|---------|---------|---------|---------|----------|
| Credit Type / Institution | Date | Interest | Time Interval | | | | | Time Interval | | | | | | |
| | | | Current | Until 1 | Until 2 | Until 3 | Until 4 | Until 5 | Current | Until 1 | Until 2 | Until 3 | Until 4 | Until 5 |
| | | | Year | Year | Years | Years | Years | Years or | Year | Year | Years | Years | Years | Years or |
| | | | | | | | | More | | | | | | More |
| BANKS | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BANKS | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| LISTED IN THE STOCK EXCHANGE | | | | | | | | | | | | | | |
| UNSECURED DEBT | | | | | | | | | | | | | | |
| Medium Term Notes | 15/12/1998 | 9.33 | 0 | 0 | 0 | 0 | 0 | 0 | 3,614 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

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| | | | | | | | | | | | | | | |
|------------------------------|--|------|---------|---|---|---|---|---|-----------|---|---|---|---|---|
| TOTAL STOCK EXCHANGE | | | 0 | 0 | 0 | 0 | 0 | 0 | 3,614 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| SUPPLIERS | | | | | | | | | | | | | | |
| Various | | | 700,280 | 0 | 0 | 0 | 0 | 0 | 1,898,714 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| TOTAL SUPPLIERS | | | 700,280 | 0 | 0 | 0 | 0 | 0 | 1,898,714 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| OTHER LOANS WITH COST | | 0.25 | | | | | | | 581,130 | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| TOTAL | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | |
| OTHER CURRENT LIABILITIES WITHOUT COST | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | |
|--------------|--|--|---------|---|---|---|---|---|-----------|---|---|---|---|---|
| Various | | | 99,310 | 0 | 0 | 0 | 0 | 0 | 423,365 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | | 99,310 | 0 | 0 | 0 | 0 | 0 | 423,365 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| TOTAL | | | 799,590 | 0 | 0 | 0 | 0 | 0 | 2,906,823 | 0 | 0 | 0 | 0 | 0 |

NOTES: The exchange rate of the peso to the U.S. Dollar at March 31, 2011 was Ps. 11.9678

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

SIMEC QUARTER: 1 YEAR: 2011

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 | 450,873 | 5,395,961 | 660 | 7,895 | 5,403,856 |
| | | | | | |
| LIABILITIES POSITION | 247,015 | 2,957,833 | 0 | 0 | 2,957,833 |
| SHORT TERM LIABILITIES POSITION | 242,887 | 2,906,823 | 0 | 0 | 2,906,823 |
| LONG TERM LIABILITIES POSITION | 4,128 | 51,010 | 0 | 0 | 51,010 |
| | | | | | |
| NET BALANCE | 203,858 | 2,438,128 | 660 | 7,895 | 2,446,023 |

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT MARCH 31, 2011 WAS PS. 11.9678

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

SIMEC QUARTER 1 YEAR: 2011

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 3.45 times.
- B) Accomplished the actual situation is 0.33
- C) Accomplished the actual situation is 448.1

As of March 31, 2011, the remaining balance of the MTNs not exchanged amounts to Ps. 3,614 (\$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: 1 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 | 56.09 |
| MEXICALI MINI MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 250 | 74.38 |
| APIZACO AND CHOLULA PLANTS | PRODUCTION AND SALES OF STEEL PRODUCTS | 460 | 76.41 |
| CANTON CASTER FACILITY | PRODUCTION OF BILLET | 1,380 | 72.94 |
| LORAIN CASTER FACILITY | PRODUCTION OF BILLET | 1,150 | 0.00 |
| LORAIN HOT-ROLLING MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 840 | 58.74 |
| LACKAWANNA HOT-ROLLING MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 600 | 70.48 |
| MASSILLON COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 125 | 61.14 |
| GARY COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 70 | 47.00 |
| ONTARIO COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 60 | 55.00 |
| SAN LUIS POTOSI COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 600 | 78.22 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE:

SIMEC QUARTER: 1 YEAR: 2011

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

MAIN RAW MATERIALS

CONSOLIDATED

| DOMESTIC | MAIN SUPPLIERS | FOREIGN | MAIN SUPPLIERS | DOMESTIC SUBSTITUTION | COST PRODUCTION (%) |
|---------------|----------------|------------------|----------------|--------------------------|------------------------|
| PLANTS IN USA | | SCRAP | VARIOUS | NO | 37.52 |
| SCRAP | VARIOUS | PLANTS IN MEXICO | | | 54.80 |
| FERROALLOYS | VARIOUS | PLANTS IN MEXICO | | YES | 6.72 |
| PLANTS IN USA | | FERROALLOYS | VARIOUS | NO | 12.18 |
| ELECTRODES | VARIOUS | PLANTS IN MEXICO | VARIOUS | YES | 2.35 |
| PLANTS IN USA | | ELECTRODES | VARIOUS | NO | 2.65 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE:

SIMEC QUARTER: 1 YEAR: 2011

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

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

DOMESTIC SALES

| MAIN PRODUCTS | NET SALES | | MAIN DESTINATION | |
|----------------------|-----------|------------------|------------------|-----------|
| | VOLUME | AMOUNT | TRADEMARKS | CUSTOMERS |
| COMMERCIAL PROFILES | 234 | 2,337,069 | | |
| SPECIAL PROFILES | 93 | 1,018,082 | | |
| OTHERS | | 24,829 | | |
| | | | | |
| T O T A L | | 3,379,980 | | |
| | | | | |
| FOREIGN SALES | 211 | 3,185,471 | | |
| TOTAL | | 6,565,451 | | |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

SIMEC QUARTER: 1 YEAR: 2011

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SALES

| MAIN PRODUCTS | NET SELLS | | MAIN | |
|-----------------------------|-----------|------------------|------------|-----------|
| | VOLUME | AMOUNT | TRADEMARKS | CUSTOMERS |
| EXPORTS | | | | |
| COMMERCIAL PROFILES | 40 | 436,486 | | |
| SPECIAL PROFILES | 3 | 31,709 | | |
| OTHERS | 0 | 24,661 | | |
| FOREIGN SUBSIDIARIES | | | | |
| SPECIAL PROFILES | 211 | 3,185,470 | | |
| | | | | |
| T O T A L | | 3,678,326 | | |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE:

SIMEC QUARTER: 1 YEAR: 2011

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

CONSTRUCTION IN PROGRESS

CONSOLIDATED

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

| PROJECTS IN PROGRESS | TOTAL INVESTMENT |
|---|------------------|
| PROJECTS IN REPUBLIC | 78,306 |
| PROJECTS IN MEXICALI | 6,700 |
| PROJECTS IN TLAXCALA | 322,659 |
| PROJECTS IN GUADALAJARA | 15,055 |
| PROJECTS IN SAN LUIS POTOSI | 4,032 |
| TOTAL INVESTMENT AT MARCH 31, 2011 | 426,752 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE:

SIMEC QUARTER: 1 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:
GRUPO SIMEC, S.A.B. DE C.V.

SIMEC QUARTER: 1 YEAR: 2011

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK
CHARACTERISTICS OF THE SHARES

| 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 |
| TOTAL | | | 90,850,050 | 406,859,164 | 0 | 497,709,214 | 441,786 | 1,978,444 |

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

SIMEC QUARTER: 1 YEAR: 2011

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 FIRST QUARTER REPORT.

ING LUIS GARCIA LIMON
CHIEF EXECUTIVE OFFICER

C.P. ADOLFO LUNA LUNA
CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT MAY 03 OF 2011.
