GROUP SIMEC SA DE CV
Form 6-K
March 03, 2009

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

FORM 6-K

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

COMMISSION FILE NUMBER 1-11176

For the month of March, 2009.

Group Simec, Inc.
(Translation of Registrant's Name Into English)

Av. Lazaro Cardenas 601, Colonia la Nogalera, Guadalajara, Jalisco, Mexico 44440
(Address of principal executive office)

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

Form 20-F |X| 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 |X|

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 |X|

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 |X|

(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: March 3, 2009.

By: /s/ Luis Garcia Limon

Name: Luis Garcia Limon
Title: Chief Executive Officer

[GRAPHIC OMITTED]
SIMEC Logo
[GRAPHIC OMITTED]

PRESS RELEASE

Contact: Sergio Vigil Gonzalez
Jose Flores Flores
Grupo Simec, S.A.B. de C.V.
Calzada Lazaro Cardenas 601
44440 Guadalajara, Jalisco, Mexico
52 55 1165 1025
52 33 3770 6734

GRUPO SIMEC ANNOUNCES PRELIMINARY (UNAUDITED) RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2008

GUADALAJARA, MEXICO, February 27, 2009- Grupo Simec, S.A.B. de C.V. (AMEX:SIM) ("Simec") announced today its preliminary (unaudited) results of operations for the year ended December 31, 2008.

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

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

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

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

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

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

Pursuant to Mexican Financial Reporting Standards "Bulletin B-7 Acquisitions of Business," Simec is in the process of calculating the goodwill and other intangible assets in the acquisition of Grupo San; as of December 31, 2008, Simec registered the adjustment of the intangible assets and we are in the process to determining the adjustment of the fixed assets.

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

Net Sales

Net sales increased 46% to Ps. 35,187 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,666 million) compared to Ps. 24,106 million in 2007. Shipments of finished steel products increased 9% to 2 million 924 thousand tons in 2008 (including the net sales generated by the newly acquired plants of Grupo San of 261 thousand tons) compared to 2 million 693 thousand tons in 2007. Total sales outside of Mexico in 2008 increased 44% to Ps. 24,472 million (including the net sales generated by the newly acquired plants of Grupo San of Ps. 98 million) compared with Ps. 17,031 million in 2007, while total Mexican sales increased 51% from Ps. 7,075 million in 2007 to Ps. 10,715 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,496 million). The increase in sales can be explained due to higher shipments during 2008, compared with 2007 (231,000 tons increase) and 34% increase in the average price of steel products.

Direct Cost of Sales

Direct cost of sales increased 44% from Ps. 20,499 million in 2007 to Ps. 29,585 million in 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 1,340 million). Direct cost of sales as a percentage of net sales represented 84% in 2008 compared to 85% in 2007. The increase in the direct cost of sales is attributable mainly to an increase of 33% in the average cost of raw materials used to produce steel products in 2008 versus 2007, primarily as a result of increases in the price of scrap and certain other raw materials, as well as a 9% increase in shipments.

Gross Profit

Gross profit in 2008 was Ps. 5,602 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 1,326 million) compared to Ps. 3,607 million in 2007. Gross profit as a percentage of net sales in 2008 was 16% compared to 15% in 2007. This increase in gross profit was principally due to an increase of 9% in sales volume.

Operating Expenses

Operating expenses increased 69% to Ps. 2,407 million in 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 605 million and the amortization of the intangible assets of Ps. 241 million registered by the acquisition of Grupo San) compared to Ps. 1,423 million in 2007 and represented 7% of net sales in 2008 and 6% of net sales in 2007.

Operating Profit

Operating profit increased 46% to Ps. 3,195 million in 2008 (including the operating profit from the newly acquired plants of Grupo San of Ps. 721 million) compared to Ps. 2,184 million in 2007. Operating profit as a percentage of net sales was 9% in 2008 compared to 9% in 2007. The increase in the operating profit was due principally to an increase of 9% in sales volume and an increase of 34% in the average price of steel products.

Comprehensive Financial Cost

Comprehensive financial cost in 2008 represented an expense of Ps. 126 million compared with a gain of Ps. 41 million in 2007. Net interest income was Ps. 77 million in 2008 compared with net interest income of Ps. 274 million in 2007, reflecting the use of cash and debt for the acquisition of Grupo San. At the same time, we registered an exchange loss of Ps. 203 million in 2008 compared with an exchange loss of Ps. 38 million in 2007, reflecting a 25% increase in the value of the dollar versus the peso as of December 31, 2008 compared to December 31, 2007.

Other Expenses (Income) net

The company recorded other income net of Ps. 38 million in 2008 compared to other income net of Ps. 21 million in 2007.

Income Taxes

Income Taxes recorded Ps. 978 million in 2008 (including Ps. 28 million of deferred income taxes) compared to Ps. 621 million in 2007 (including Ps. 509 million of deferred income taxes).

Net Profit

As a result of the foregoing, net profit increased by 31% to Ps. 2,219 million in 2008 from Ps. 1,625 million in 2007.

Liquidity and Capital Resources

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

Net resources provided by operations were Ps. 1,487 million in 2008 versus Ps. 2,384 million of net resources provided by operations in 2007. Net resources provided by financing activities were Ps. 1,173 million in 2008 (which amount includes the capital increase of Ps. 1,169 million in July 2008) versus Ps. 2,292 million of net resources provided by financing activities in 2007 (which amount includes the capital increase of Ps. 2,421 million in February 2007). Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 8,512 million in 2008 (which amount includes Ps. 8,440 million used in the acquisition of Grupo San) versus net resources used in investing activities (to acquire property, plant and equipment and other non-current assets and liabilities) of Ps. 484 million in 2007.

Comparative Fourth Quarter 2008 vs. Third Quarter 2008

Net Sales

Net sales decreased 28% from Ps. 10,533 million for the third quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,073 million) to Ps. 7,620 million for the fourth quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,080 million). Sales in tons of finished steel decreased 29% to 567 thousand tons in the fourth quarter 2008 compared with 795 thousand tons in the third quarter 2008. The total sales outside of Mexico for the fourth quarter 2008 decreased 32% to Ps. 4,983 million compared with Ps. 7,317 million for the third quarter 2008. Total Mexican sales decreased 18% to Ps. 2,637 million in the fourth quarter 2008 from Ps. 3,216 million in the third quarter 2008. Prices of finished products sold in the fourth quarter 2008 increased approximately 1% compared to the third quarter 2008.

Direct Cost of Sales

Direct cost of sales decreased 18% from Ps. 8,726 million in the third quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 663 million) to Ps. 7,116 million for the fourth quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 369 million). With respect to sales, in the fourth quarter 2008, the direct cost of sales represents 93% compared to 83% for the third quarter 2008. The average cost of raw materials used to produce steel products increased 14% in the fourth quarter 2008 versus the third quarter 2008, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the fourth quarter 2008 decreased 72% to Ps. 504 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 710 million) compared to Ps. 1,807 million in the third quarter 2008 (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 410 million). The gross profit as a percentage of net sales for the fourth quarter 2008 was 7% compared with 17% for the third quarter 2008. The decrease in gross profit was principally due to the increases in the price of scrap and certain other raw materials and the decrease in tons shipped.

Operating Expenses

Operating expenses increased 86% to Ps. 1,050 million in the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 403 million and the amortization of Ps. 241 of the intangible assets determined in the acquisition of Grupo San) compared to Ps. 564 million for the third quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 149 million). Operating expenses as a percentage of net sales represented 14% during the fourth quarter 2008 compared to 5% in the third quarter 2008.

Operating Profit

Operating profit was Ps. 1,243 million in the third quarter 2008 (including the operating profit from the newly acquired plants of Grupo San of Ps. 261 million) compared to an operating loss of Ps. 546 million for the fourth quarter 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 307 million). The operating loss as a percentage of net sales in the fourth quarter 2008 was 7% compared to 12% of operating profit in the third quarter 2008. The operating loss was principally due to the decrease in tons shipped and the increases in the price of scrap and certain other raw materials.

Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2008 represented an income of Ps. 108 million compared with Ps. 25 million of income for the third quarter 2008. Net interest expense was Ps. 4 million in the fourth quarter 2008 compared with Ps. 11 million of net interest income in the third quarter 2008. At the same time, we registered an exchange gain of Ps. 112 million in the fourth quarter 2008 compared with an exchange gain of Ps. 36 million in the third quarter 2008.

Other Expenses (Income) net

The company recorded other expenses net of Ps. 98 million in the fourth quarter 2008 compared with other income net of Ps. 49 million for the third quarter 2008.

Income Taxes

Income taxes for the fourth quarter 2008 was an income of Ps. 314 million compared to Ps. 483 million of expense for the third quarter 2008.

Net Profit

As a result of the foregoing, net profit was Ps. 834 million in the third quarter 2008 compared to Ps. 222 million of net loss in the fourth quarter 2008.

Comparative Fourth Quarter 2008 vs. Fourth Quarter 2007

Net Sales

Net sales increased 31% from Ps. 5,824 million for the fourth quarter 2007 compared with Ps. 7,620 million for the same period in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,080 million). Sales in tons of finished steel decreased 16% to 567 thousand tons in the fourth quarter 2008 compared with 675 thousand tons in the same period 2007. The total sales outside of Mexico for the fourth quarter 2008 increased 17% to Ps. 4,983 million compared with Ps. 4,264 million for the same period 2007. Total Mexican sales increased 69% to Ps. 2,637 million in the fourth quarter 2008 from Ps. 1,560 millions in the

same period 2007. Prices of finished products sold in the fourth quarter 2008 increased approximately by 56% compared to the fourth quarter 2007.

Direct Cost of Sales

Direct cost of sales increased 31% from Ps. 5,436 million in the fourth quarter 2007 to Ps. 7,116 million for the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 369 million). With respect to sales, in the fourth quarter 2008, the direct cost of sales represents 93% compared to 93% for the same period 2007. The average cost of raw materials used to produce steel products increased 56% in the fourth quarter 2008 versus the fourth quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the fourth quarter 2008 increased 30% to Ps. 504 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 710 million) compared to Ps. 388 million in the same period 2007. The gross profit as a percentage of net sales for the fourth quarter 2008 was 7% compared with 7% for the same period 2007. The increase in gross profit was principally due to the increase in tons shipped.

Operating Expenses

Operating expenses increased 198% to Ps. 1,050 million in the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 403 million and the amortization of Ps. 241 of the intangible assets determined in the acquisition of Grupo San) compared to Ps. 352 million for the same period 2007. Operating expenses as a percentage of net sales represented 14% during the fourth quarter 2008 compared to 6% of the same period 2007.

Operating Profit

Operating profit was Ps. 36 million in the fourth quarter 2007 compared to Ps. 546 million of loss for the same period 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 307 million). The operating loss as a percentage of net sales in the fourth quarter 2008 was 7% compared to 1% of operating profit in the same period 2007.

Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2008 represented a gain of Ps. 108 million compared with an expense of Ps. 168 million for the fourth quarter 2007. Net interest expense was Ps. 4 million in the fourth quarter 2008 compared with Ps. 55 million of net interest income in the fourth quarter 2007. At the same time, we registered an exchange gain of Ps. 112 million in the fourth quarter 2008 compared with an exchange loss of Ps. 36 million in the fourth quarter 2007.

Other Expenses (Income) net

The company recorded other expenses net of Ps. 98 million for the fourth quarter 2008 compared with other expenses net of Ps. 24 million for the same period 2007.

Income Taxes

Income taxes for the fourth quarter 2008 decreased to Ps. 314 million compared to a decrease of Ps. 120 million for the same period 2007.

Net Profit

As a result of the foregoing, net loss was Ps. 222 million in the fourth quarter 2008 compared to Ps. 36 million of net loss in the fourth quarter 2007.

	Twelve months ended December 31, 2008	Twelve months ended December 31, 2007	2008 vs. 2007
Sales	35,187	24,106	46%
Cost of Sales	29,585	20,499	44%
Gross Profit	5,602	3,607	55%
Operating Expenses	2,407	1,423	69%

Operating Profit	3,195	2,184	46%
EBITDA	4,053	2,733	48%
Net Profit	2,129	1,625	31%
Sales Outside Mexico	24,472	17,031	44%
Sales in Mexico	10,715	7,075	51%
Total Sales (tons)	2,924	2,693	9%

(Millions of pesos)	4Q08	3Q08	4Q07	4Q08 vs. 3Q08	4Q
Sales	7,620	10,533	5,824	(28%)	
Cost of Sales	7,116	8,726	5,436	(18%)	
Gross Profit	504	1,807	388	(72%)	
Operating Expenses	1,050	564	352	86%	
Operating Profit	(546)	1,243	36	(144%)	(1
EBITDA	(118)	1,407	206	(108%)	(
Net Profit	(222)	834	(36)	(127%)	
Sales Outside Mexico	4,983	7,317	4,264	(32%)	
Sales in Mexico	2,637	3,216	1,560	(18%)	
Total Sales (tons)	567	795	675	(29%)	

Product	Thousands of tons twelve months ended December 31,2008	Millions of pesos twelve months ended December 31, 2008	Average price per ton twelve months ended December 31, 2008	Thousands of tons twelve months ended December 31,2007	Millions of pesos twelve months ended December 31, 2007	Average price pe ton twel months ended December 31, 2007
SBQ	2,034	26,165	12,864	1,946	18,419	9,465
Light Structural	172	1,787	10,391	276	2,162	7,834
Structural	183	1,979	10,815	216	1,752	8,112
Rebar	467	4,408	9,439	250	1,703	6,810

Others	68	847	0	5	70	0
Total	2,924	35,187	12,034	2,693	24,106	8,951

Product	Thousands of tons 4Q08	Millions of pesos 4Q08	Average price per ton 4Q08	Thousands of tons 3Q08	Millions of pesos 3Q08	Average price per ton 3Q08	T
SBQ	335	5,435	16,224	555	7,858	14,159	
Light Structural	30	339	11,302	41	482	11,756	
Structural	33	371	11,243	40	488	12,200	
Rebar	146	1,210	8,287	127	1,324	10,425	
Others	23	265	0	32	381	0	
Total	567	7,620	13,439	795	10,533	13,249	

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: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%

s01	TOTAL ASSETS	30,525,491	100
s02	CURRENT ASSETS	13,299,002	46
s03	CASH AND SHORT-TERM INVESTMENTS	585,704	2
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	3,021,933	10
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	566,037	2
s06	INVENTORIES	8,873,348	29
s07	OTHER CURRENT ASSETS	251,980	1
s08	LONG-TERM	0	0
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
s11	OTHER INVESTMENTS	0	0
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	9,902,255	32
s13	LAND AND BUILDINGS	3,446,089	11
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	12,679,170	42
s15	OTHER EQUIPMENT	230,220	1
s16	ACCUMULATED DEPRECIATION	6,839,936	22
s17	CONSTRUCTION IN PROGRESS	386,712	1
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,223,329	24
s19	OTHER ASSETS	100,905	0

s20	TOTAL LIABILITIES	8,792,480	100
s21	CURRENT LIABILITIES	5,441,208	62
s22	SUPPLIERS	3,467,550	39
s23	BANK LOANS	0	0
s24	STOCK MARKET LOANS	4,055	0
s103	OTHER LOANS WITH COST	0	0
s25	TAXES PAYABLE	375,794	4
s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,593,809	18
s27	LONG-TERM LIABILITIES	8,800	0
s28	BANK LOANS	8,800	0
s29	STOCK MARKET LOANS	0	0
s30	OTHER LOANS WITH COST	0	0
s31	DEFERRED LIABILITIES	0	0
s32	OTHER NON-CURRENT LIABILITIES WITHOUT COST	3,342,472	38
s33	CONSOLIDATED STOCKHOLDERS' EQUITY	21,733,011	100
s34	MINORITY INTEREST	3,151,162	14
s35	MAJORITY INTEREST	18,581,849	86

s36	CONTRIBUTED CAPITAL	8,350,900	38
S79	CAPITAL STOCK	4,142,696	19
s39	PREMIUM ON ISSUANCE OF SHARES	4,208,204	19
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
s41	EARNED CAPITAL	10,230,949	47
s42	RETAINED EARNINGS AND CAPITAL RESERVES	10,690,508	49
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(459,559)	(2)
s80	SHARES REPURCHASED	0	0

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s03	CASH AND SHORT-TERM INVESTMENTS	585,704	100
s46	CASH	243,642	42
s47	SHORT-TERM INVESTMENTS	342,062	58

s07	OTHER CURRENT ASSETS	251,980	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s82	DISCONTINUED OPERATIONS	0	0
s83	OTHER	251,980	100
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,223,329	100
s48	DEFERRED EXPENSES	3,530,631	49
s49	GOODWILL	3,690,304	51
s51	OTHER	2,394	0
s19	OTHER ASSETS	100,905	100
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	3,446	3
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s50	DEFERRED TAXES	0	0
s86	DISCONTINUED OPERATIONS	0	0
s87	OTHER	97,459	97
s21	CURRENT LIABILITIES	5,441,208	100
s52	FOREIGN CURRENCY LIABILITIES	3,830,120	70
s53	MEXICAN PESOS LIABILITIES	1,611,088	30

s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,593,809	100
s88	DERIVATIVE FINANCIAL INSTRUMENTS	206,181	13
s89	INTEREST LIABILITIES	5,251	0
s68	PROVISIONS	0	0
s90	DISCONTINUED OPERATIONS	0	0
s58	OTHER CURRENT LIABILITIES	1,382,377	87
s27	LONG-TERM LIABILITIES	8,800	100
s59	FOREIGN CURRENCY LIABILITIES	8,800	100
s60	MEXICAN PESOS LIABILITIES	0	0
s31	DEFERRED LIABILITIES	0	0
s65	NEGATIVE GOODWILL	0	0
s67	OTHER	0	0
s32	OTHER NON CURRENT LIABILITIES WITHOUT COST	3,342,472	100
s66	DEFERRED TAXES	3,250,227	97
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	43,172	1
s92	DISCONTINUED OPERATIONS	0	0
s69	OTHER LIABILITIES	49,073	1

s79	CAPITAL STOCK	4,142,696	100
s37	CAPITAL STOCK (NOMINAL)	2,420,230	58
s69	RESTATEMENT OF CAPITAL STOCK	1,722,466	42

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s42	RETAINED EARNINGS AND CAPITAL RESERVES	10,690,508	100
s93	LEGAL RESERVE	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	200,612	2
s94	OTHER RESERVES	0	0
s95	RETAINED EARNINGS	8,481,722	79
s45	NET INCOME FOR THE YEAR	2,008,174	19
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(459,559)	100
s70	ACCUMULATED MONETARY RESULT	0	0

s71	RESULT FROM HOLDING NON-MONETARY ASSETS	0	0
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	659,404	(143)
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	(148,450)	32
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	(970,513)	211
s99	LABOR OBLIGATION ADJUSTMENT	0	0
s100	OTHER	0	0

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

BALANCE SHEETS
OTHER CONCEPTS
(thousands of Mexican pesos)

REF S	CONCEPTS	CURRENT YEAR
		AMOUNT
S72	WORKING CAPITAL	7,857,794
S73	PENSIONS FUND AND SENIORITY PREMIUMS	0
S74	EXECUTIVES (*)	60
S75	EMPLOYERS (*)	1,890
S76	WORKERS (*)	2,873
S77	COMMON SHARES (*)	497,709,214

S78	REPURCHASED SHARES (*)	0
S101	RESTRICTED CASH	0
S102	NET DEBT OF NON CONSOLIDATED COMPANIES	0

(*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF R	CATEGORIES	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	35,187,057	100
r02	COST OF SALES	29,584,947	84
r03	GROSS PROFIT	5,602,110	16
r04	OPERATING EXPENSES	2,407,399	7
r05	OPERATING INCOME	3,194,711	9
r08	OTHER INCOME AND (EXPENSE), NET	(45,275)	0
r06	COMPREHENSIVE FINANCING RESULT	(125,494)	0
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0

r09	INCOME BEFORE INCOME TAXES	3,023,942	9
r10	INCOME TAXES	894,615	3
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	2,129,327	6
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	2,129,327	6
r19	NET INCOME OF MINORITY INTEREST	121,153	0
r20	NET INCOME OF MAJORITY INTEREST	2,008,174	6

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	35,187,057	100
r21	DOMESTIC	10,715,511	30
r22	FOREIGN	24,471,546	70
r23	TRANSLATED INTO DOLLARS (***)	2,198,590	

r08	OTHER INCOME AND (EXPENSE), NET	(45,275)	100
r49	OTHER INCOME AND (EXPENSE), NET	37,725	(83)
r34	EMPLOYEES' PROFIT SHARING EXPENSES	83,000	(183)
r35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0

r06	COMPREHENSIVE FINANCING RESULT	(125,494)	100
r24	INTEREST EXPENSE	43,168	(34)
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
r45	OTHER FINANCE COSTS	0	0
r26	INTEREST INCOME	120,526	(96)
r46	OTHER FINANCIAL PRODUCTS	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	(202,852)	162
r28	RESULT FROM MONETARY POSITION	0	0

r10	INCOME TAXES	894,615	100
r32	INCOME TAX	866,600	97
r33	DEFERRED INCOME TAX	28,015	3

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008

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

STATEMENTS OF INCOME
OTHER CONCEPTS
(thousands of Mexican pesos)

REF R	CONCEPTS	CURRENT YEAR AMOUNT
r36	TOTAL SALES	35,620,656
r37	TAX RESULT FOR THE YEAR	0
r38	NET SALES (**)	35,187,057
r39	OPERATION INCOME (**)	3,194,711
r40	NET INCOME OF MAJORITY INTEREST (**)	2,008,174
r41	NET CONSOLIDATED INCOME (**)	2,129,327
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	858,464

(**) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF R	CATEGORIES	CURRENT YEAR AMOUNT	%

r01	NET SALES	7,619,725	100
r02	COST OF SALES	7,115,480	93
r03	GROSS PROFIT	504,246	7
r04	OPERATING EXPENSES	1,049,865	14
r05	OPERATING INCOME	(545,620)	(7)
r08	OTHER INCOME AND (EXPENSE), NET	(98,226)	(1)
r06	COMPREHENSIVE FINANCING RESULT	108,020	1
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	(535,826)	(7)
r10	INCOME TAXES	(314,000)	(4)
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	(221,826)	(3)
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	(221,826)	(3)
r19	NET INCOME OF MINORITY INTEREST	(489,265)	(6)
r20	NET INCOME OF MAJORITY INTEREST	267,439	4

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

QUARTERLY STATEMENTS OF INCOME

BREAKDOWN OF MAIN CONCEPTS
(thousands of Mexican pesos)

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
rt01	NET SALES	7,619,725	100
rt21	DOMESTIC	2,636,980	35
rt22	FOREIGN	4,982,745	65
rt23	TRANSLATED INTO DOLLARS (***)	338,726	
rt08	OTHER INCOME AND (EXPENSE), NET	(98,226)	100
rt49	OTHER INCOME AND (EXPENSE), NET	(23,916)	24
rt34	EMPLOYEES' PROFIT SHARING EXPENSES	74,310	(76)
rt35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0
rt06	COMPREHENSIVE FINANCING RESULT	108,020	100
rt24	INTEREST EXPENSE	13,950	13
rt42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
rt45	OTHER FINANCE COSTS	0	0
rt26	INTEREST INCOME	10,401	10
rt46	OTHER FINANCIAL PRODUCTS	0	0

rt25	FOREIGN EXCHANGE GAIN (LOSS), NET	111,569	103
rt28	RESULT FROM MONETARY POSITION	0	0
rt10	INCOME TAXES	(314,000)	100
rt32	INCOME TAX	428,864	(137)
rt33	DEFERRED INCOME TAX	(742,864)	237

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF RT	CONCEPTS	CURR
		A
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	4

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
c01	CONSOLIDATED NET INCOME	2,129,327
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	886,479
c03	RESOURCES FROM NET INCOME FOR THE YEAR	3,015,806
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,486,692)
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	1,529,114
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	3,493
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,169,156
c08	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,172,649
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(8,512,214)
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(5,810,451)
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	6,396,155
c12	CASH AND SHORT TERM INVESTMENTS AT THE END OF PERIOD	585,704

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF CHANGES IN FINANCIAL POSITION
BREAKDOWN OF MAIN CONCEPTS

(thousands of pesos)

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	886,479
c13	DEPRECIATION AND AMORTIZATION FOR THE YEAR	858,464
c41	+ (-) OTHER ITEMS	28,015
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,486,692)
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(98,190)
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	(3,245,580)
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	83,233
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	946,764
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	827,081
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	3,493
c23	+ BANK FINANCING	1,334,129
c24	+ STOCK MARKET FINANCING	773
c25	+ DIVIDEND RECEIVED	0
c26	OTHER FINANCING	0

c27	BANK FINANCING AMORTIZATION	(1,325,329)
c28	(-) STOCK MARKET FINANCING AMORTIZATION	0
c29	(-) OTHER FINANCING AMORTIZATION	0
c42	+ (-) OTHER ITEMS	(6,080)
C07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,169,156
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	112,269
c31	(-) DIVIDENDS PAID	0
c32	+ PREMIUM ON ISSUANCE OF SHARES	1,056,887
c33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	0
c43	+ (-) OTHER ITEMS	0
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(8,512,214)
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	(8,645,586)
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(502,196)
c36	(-) INCREASE IN CONSTRUCTION PROGRESS	0
c37	+ SALE OF OTHER PERMANENT INVESTMENTS	0
c38	+ SALE OF TANGIBLE FIXED ASSETS	0
c39	+ (-) OTHER ITEMS	635,568

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
	ACTIVITIES OF OPERATION	
e01	INCOME (LOSS) BEFORE INCOME TAXES	3,023,942
e02	+ (-) ITEMS NOT REQUIRING CASH	0
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	737,938
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	43,168
e05	CASH FLOW BEFORE INCOME TAX	3,805,048
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(2,354,592)
e07	CASH FLOW PROVIDED OF OPERATING ACTIVITIES	1,450,456
	INVESTMENT ACTIVITIES	
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(9,074,002)
e09	CASH FLOW AFTER INVESTING ACTIVITIES	(7,623,546)
	FINANCING ACTIVITIES	
e10	NET CASH FROM FINANCING ACTIVITIES	1,121,980
e11	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,501,566)

e12	TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS	691,115
e13	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	6,396,155
e14	CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	585,704

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
e02	+ (-) ITEMS NOT REQUIRING CASH	0
e15	+ ESTIMATES FOR THE PERIOD	0
e16	+ PROVISIONS FOR THE PERIOD	0
e17	+ (-) OTHER UNREALIZED ITEMS	0
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	737,938
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	858,464
e19	(-) + GAIN OR LOSS ON SALE PROPERTY, PLANT AND EQUIPMENT	0
e20	+ IMPAIRMENT LOSS	0

e21	(-) + EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0
e22	(-) DIVIDENDS RECEIVED	0
e23	(-) INTEREST INCOME	(120,526)
e24	(-) + OTHER ITEMS	0
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	43,168
e25	+ ACCRUED INTEREST	43,168
e26	+ (-) OTHER ITEMS	0
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(2,354,592)
e27	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(98,190)
e28	+ (-) DECREASE (INCREASE) IN INVENTORIES	(3,245,581)
e29	+ (-)DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLES	83,233
e30	+ (-) INCREASE DECREASE IN SUPPLIERS	946,764
e31	+ (-)INCREASE DECREASE IN OTHER LIABILITIES	633,036
e32	+ (-) INCOME TAXES PAID OR RETURNED	(673,854)
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(9,074,002)
e33	(-) PERMANENT INVESTMENT IN SHARES	(8,645,763)
e34	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0
e35	(-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT	(502,196)

e36	+ SALE OF PROPERTY PLANT AND EQUIPMENT	0
e37	(-) INVESTMENT IN INTANGIBLE ASSETS	0
e38	+ DISPOSITION OF INTANGIBLE ASSETS	0
e39	+ OTHER PERMANENT INVESTMENTS	0
e40	+ DISPOSITION OF OTHER PERMANENT INVESTMENTS	0
e41	+ DIVIDEND RECEIVED	0
e42	+ INTEREST RECEIVED	120,526
e43	+ (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0
e44	+ (-) OTHER ITEMS	(46,569)
e10	NET CASH FROM FINANCING ACTIVITIES	1,121,980
e45	+ BANK FINANCING	1,325,329
e46	+ STOCK MARKET FINANCING	773
e47	+ OTHER FINANCING	0
e48	(-) BANK FINANCING AMORTIZATION	(1,325,329)
e49	(-) STOCK MARKET FINANCING AMORTIZATION	0
e50	(-) OTHER FINANCING AMORTIZATION	0
e51	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	112,269
e52	(-) DIVIDENDS PAID	0
e53	+ PREMIUM ON ISSUANCE OF SHARES	1,056,887
e54	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0

e55	(-) INTEREST EXPENSE	(41,869)
e56	(-) REPURCHASE OF SHARES	0
e57	+ (-) OTHER ITEMS	(6,080)

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

DATE PER SHARE
CONSOLIDATED

REF D	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
d01	BASIC PROFIT PER ORDINARY SHARE (**)	$ 4.14
d02	BASIC PROFIT PER PREFERRED SHARE (**)	$ 0.00
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	$ 0.00
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	$ 4.14
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	$ 0.00
d08	CARRYING VALUE PER SHARE	$37.33
d09	CASH DIVIDEND ACCUMULATED PER SHARE	$ 0.00
d10	DIVIDEND IN SHARES PER SHARE	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	0.61 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE	5.47 times

d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0.00 times

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

RATIOS
CONSOLIDATED

REF P	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
	YIELD	
p01	NET INCOME TO NET SALES	6.05%
p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	9.80%
p03	NET INCOME TO TOTAL ASSETS (**)	6.98%
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00%
p05	INCOME DUE TO MONETARY POSITION TO NET INCOME	0.00%
	ACTIVITY	
p06	NET SALES TO NET ASSETS (**)	1.15 times
p07	NET SALES TO FIXED ASSETS (**)	3.55 times
p08	INVENTORIES TURNOVER (**)	3.33 times

p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	27 days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	3.36%
	LEVERAGE	
p11	TOTAL LIABILITIES TO TOTAL ASSETS	28.80%
p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	0.40 times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	43.66%
p14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.09%
p15	OPERATING INCOME TO INTEREST PAID	74.01 times
p16	NET SALES TO TOTAL LIABILITIES (**)	4.00 times
	LIQUIDITY	
p17	CURRENT ASSETS TO CURRENT LIABILITIES	2.44 times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.81 times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	1.51 times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	10.76%

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

DIRECTOR REPORT

CONSOLIDATED

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

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

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

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

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

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

Pursuant to Mexican Financial Reporting Standards "Bulletin B-7 Acquisitions of Business," Simec is in the process of calculating the goodwill and other intangible assets in the acquisition of Grupo San; as of December 31, 2008, Simec registered the adjustment of the intangible assets and we are in the process to determining the adjustment of the fixed assets.

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

Net Sales

Net sales increased 46% to Ps. 35,187 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,666 million) compared to Ps. 24,106 million in 2007. Shipments of finished steel products increased 9% to 2 million 924 thousand tons in 2008 (including the net sales generated by the newly acquired plants of Grupo San of 261 thousand tons) compared to 2 million 693 thousand tons in 2007. Total sales outside of Mexico in 2008 increased 44% to Ps. 24,472 million (including the net sales generated by the newly acquired plants of Grupo San of Ps. 98 million) compared with Ps. 17,031 million in 2007, while total

Mexican sales increased 51% from Ps. 7,075 million in 2007 to Ps. 10,715 million in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 2,496 million). The increase in sales can be explained due to higher shipments during 2008, compared with 2007 (231,000 tons increase) and 34% increase in the average price of steel products.

Direct Cost of Sales

Direct cost of sales increased 44% from Ps. 20,499 million in 2007 to Ps. 29,585 million in 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 1,340 million). Direct cost of sales as a percentage of net sales represented 84% in 2008 compared to 85% in 2007. The increase in the direct cost of sales is attributable mainly to an increase of 33% in the average cost of raw materials used to produce steel products in 2008 versus 2007, primarily as a result of increases in the price of scrap and certain other raw materials, as well as a 9% increase in shipments.

Gross Profit

Gross profit in 2008 was Ps. 5,602 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 1,326 million) compared to Ps. 3,607 million in 2007. Gross profit as a percentage of net sales in 2008 was 16% compared to 15% in 2007. This increase in gross profit was principally due to an increase of 9% in sales volume.

Operating Expenses

Operating expenses increased 69% to Ps. 2,407 million in 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 605 million and the amortization of the intangible assets of Ps. 241 million registered by the acquisition of Grupo San) compared to Ps. 1,423 million in 2007 and represented 7% of net sales in 2008 and 6% of net sales in 2007.

Operating Profit

Operating profit increased 46% to Ps. 3,195 million in 2008 (including the operating profit from the newly acquired plants of Grupo San of Ps. 721 million) compared to Ps. 2,184 million in 2007. Operating profit as a percentage of net sales was 9% in 2008 compared to 9% in 2007. The increase in the operating profit was due principally to an increase of 9% in sales volume and an increase of 34% in the average price of steel products.

Comprehensive Financial Cost

Comprehensive financial cost in 2008 represented an expense of Ps. 126 million compared with a gain of Ps. 41 million in 2007. Net interest income was Ps. 77 million in 2008 compared with net interest income of Ps. 274 million in 2007, reflecting the use of cash and debt for the acquisition of Grupo San. At the same time, we registered an exchange loss of Ps. 203 million in 2008 compared with an exchange loss of Ps. 38 million in 2007, reflecting a 25% increase in the value of the dollar versus the peso as of December 31, 2008 compared to December 31, 2007.

Other Expenses (Income) net

The company recorded other income net of Ps. 38 million in 2008 compared to other income net of Ps. 21 million in 2007.

Income Taxes

Income Taxes recorded Ps. 978 million in 2008 (including Ps. 28 million of deferred income taxes) compared to Ps. 621 million in 2007 (including Ps. 509 million of deferred income taxes).

Net Profit

As a result of the foregoing, net profit increased by 31% to Ps. 2,219 million in 2008 from Ps. 1,625 million in 2007.

Liquidity and Capital Resources

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

Net resources provided by operations were Ps. 1,487 million in 2008 versus Ps. 2,384 million of net resources provided by operations in 2007. Net resources provided by financing activities were Ps. 1,173 million in 2008 (which amount includes the capital increase of Ps. 1,169 million in July 2008) versus Ps. 2,292 million of net resources provided by financing activities in 2007 (which amount includes the capital increase of Ps. 2,421 million in February 2007). Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 8,512 million in 2008 (which amount includes Ps. 8,440 million used in the acquisition of Grupo San) versus net resources used in investing activities (to acquire property, plant and equipment and other non-current assets and liabilities) of Ps. 484 million in 2007.

Comparative Fourth Quarter 2008 vs. Third Quarter 2008

Net Sales

Net sales decreased 28% from Ps. 10,533 million for the third quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,073 million) to Ps. 7,620 million for the fourth quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,080 million). Sales in tons of finished steel decreased 29% to 567 thousand tons in the fourth quarter 2008 compared with 795 thousand tons in the third quarter 2008. The total sales outside of Mexico for the fourth quarter 2008 decreased 32% to Ps. 4,983 million compared with Ps. 7,317 million for the third quarter 2008. Total Mexican sales decreased 18% to Ps. 2,637 million in the fourth quarter 2008 from Ps. 3,216 million in the third quarter 2008. Prices of finished products sold in the fourth quarter 2008 increased approximately 1% compared to the third quarter 2008.

Direct Cost of Sales

Direct cost of sales decreased 18% from Ps. 8,726 million in the third quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 663 million) to Ps. 7,116 million for the fourth quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 369 million). With respect to sales, in the fourth quarter 2008, the direct cost of sales represents 93% compared to 83% for the third quarter 2008. The average cost of raw materials used to produce steel products increased 14% in the fourth quarter 2008 versus the third quarter 2008, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the fourth quarter 2008 decreased 72% to Ps. 504 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 710 million) compared to Ps. 1,807 million in the third quarter 2008 (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 410 million). The gross profit as a percentage of net sales for the fourth quarter 2008 was 7% compared with 17% for the third quarter 2008. The decrease in gross profit was principally due to the increases in the price of scrap and certain other raw materials and the decrease in tons shipped.

Operating Expenses

Operating expenses increased 86% to Ps. 1,050 million in the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 403 million and the amortization of Ps. 241 of the intangible assets determined in the acquisition of Grupo San) compared to Ps. 564 million for the third quarter

2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 149 million). Operating expenses as a percentage of net sales represented 14% during the fourth quarter 2008 compared to 5% in the third quarter 2008.

Operating Profit

Operating profit was Ps. 1,243 million in the third quarter 2008 (including the operating profit from the newly acquired plants of Grupo San of Ps. 261 million) compared to an operating loss of Ps. 546 million for the fourth quarter 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 307 million). The operating loss as a percentage of net sales in the fourth quarter 2008 was 7% compared to 12% of operating profit in the third quarter 2008. The operating loss was principally due to the decrease in tons shipped and the increases in the price of scrap and certain other raw materials.

Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2008 represented an income of Ps. 108 million compared with Ps. 25 million of income for the third quarter 2008. Net interest expense was Ps. 4 million in the fourth quarter 2008 compared with Ps. 11 million of net interest income in the third quarter 2008. At the same time, we registered an exchange gain of Ps. 112 million in the fourth quarter 2008 compared with an exchange gain of Ps. 36 million in the third quarter 2008.

Other Expenses (Income) net

The company recorded other expenses net of Ps. 98 million in the fourth quarter 2008 compared with other income net of Ps. 49 million for the third quarter 2008.

Income Taxes

Income taxes for the fourth quarter 2008 was an income of Ps. 314 million compared to Ps. 483 million of expense for the third quarter 2008.

Net Profit

As a result of the foregoing, net profit was Ps. 834 million in the third quarter 2008 compared to Ps. 222 million of net loss in the fourth quarter 2008.

Comparative Fourth Quarter 2008 vs. Fourth Quarter 2007

Net Sales

Net sales increased 31% from Ps. 5,824 million for the fourth quarter 2007 compared with Ps. 7,620 million for the same period in 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,080 million). Sales in tons of finished steel decreased 16% to 567 thousand tons in the fourth quarter 2008 compared with 675 thousand tons in the same period 2007. The total sales outside of Mexico for the fourth quarter 2008 increased 17% to Ps. 4,983 million compared with Ps. 4,264 million for the same period 2007. Total Mexican sales increased 69% to Ps. 2,637 million in the fourth quarter 2008 from Ps. 1,560 millions in the same period 2007. Prices of finished products sold in the fourth quarter 2008 increased approximately by 56% compared to the fourth quarter 2007.

Direct Cost of Sales

Direct cost of sales increased 31% from Ps. 5,436 million in the fourth quarter 2007 to Ps. 7,116 million for the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 369 million). With respect to sales, in the fourth quarter 2008, the direct cost of sales represents 93% compared to 93% for the same period 2007. The average cost of raw materials used to produce steel products increased 56% in the fourth quarter 2008 versus the fourth quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the fourth quarter 2008 increased 30% to Ps. 504 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 710 million) compared to Ps. 388 million in the same period 2007. The gross profit as a percentage of net sales for the fourth quarter 2008 was 7% compared with 7% for the same period 2007. The increase in gross profit was principally due to the increase in tons shipped.

Operating Expenses

Operating expenses increased 198% to Ps. 1,050 million in the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 403 million and the amortization of Ps. 241 of the intangible assets determined in the acquisition of Grupo San) compared to Ps. 352 million for the same period 2007. Operating expenses as a percentage of net sales represented 14% during the fourth quarter 2008 compared to 6% of the same period 2007.

Operating Profit

Operating profit was Ps. 36 million in the fourth quarter 2007 compared to Ps. 546 million of loss for the same period 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 307 million). The operating loss as a percentage of net sales in the fourth quarter 2008 was 7% compared to 1% of operating profit in the same period 2007.

Comprehensive Financial Cost

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

Ps. 108 million compared with an expense of Ps. 168 million for the fourth quarter 2007. Net interest expense was Ps. 4 million in the fourth quarter 2008 compared with Ps. 55 million of net interest income in the fourth quarter 2007. At the same time, we registered an exchange gain of Ps. 112 million in the fourth quarter 2008 compared with an exchange loss of Ps. 36 million in the fourth quarter 2007.

Other Expenses (Income) net

The company recorded other expenses net of Ps. 98 million for the fourth quarter 2008 compared with other expenses net of Ps. 24 million for the same period 2007.

Income Taxes

Income taxes for the fourth quarter 2008 decreased to Ps. 314 million compared to a decrease of Ps. 120 million for the same period 2007.

Net Profit

As a result of the foregoing, net loss was Ps. 222 million in the fourth quarter 2008 compared to Ps. 36 million of net loss in the fourth quarter 2007.

	Twelve months ended December 31, 2008	Twelve months ended December 31, 2007	2008 vs. 2007
Sales	35,187	24,106	46%
Cost of Sales	29,585	20,499	44%
Gross Profit	5,602	3,607	55%
Operating Expenses	2,407	1,423	69%
Operating Profit	3,195	2,184	46%
EBITDA	4,053	2,733	48%
Net Profit	2,129	1,625	31%
Sales Outside Mexico	24,472	17,031	44%
Sales in Mexico	10,715	7,075	51%
Total Sales (tons)	2,924	2,693	9%

(Millions of pesos)	4Q08	3Q08	4Q07	4Q08 vs. 3Q08	4Q
Sales	7,620	10,533	5,824	(28%)	
Cost of Sales	7,116	8,726	5,436	(18%)	

Gross Profit	504	1,807	388	(72%)	
Operating Expenses	1,050	564	352	86%	
Operating Profit	(546)	1,243	36	(144%)	(1
EBITDA	(118)	1,407	206	(108%)	(
Net Profit	(222)	834	(36)	(127%)	
Sales Outside Mexico	4,983	7,317	4,264	(32%)	
Sales in Mexico	2,637	3,216	1,560	(18%)	
Total Sales (tons)	567	795	675	(29%)	

Product	Thousands of tons twelve months ended December 31, 2008	Millions of pesos twelve months ended December 31, 2008	Average price per ton twelve months ended December 31, 2008	Thousands of tons twelve months ended December 31, 2007	Millions of pesos twelve months ended December 31, 2007	Average price pe ton twel months ended December 31, 2007
SBQ	2,034	26,165	12,864	1,946	18,419	9,465
Light Structural	172	1,787	10,391	276	2,162	7,834
Structural	183	1,979	10,815	216	1,752	8,112
Rebar	467	4,408	9,439	250	1,703	6,810
Others	68	847	0	5	70	0
Total	2,924	35,187	12,034	2,693	24,106	8,951

Product	Thousands of tons 4Q08	Millions of pesos 4Q08	Average price per ton 4Q08	Thousands of tons 3Q08	Millions of pesos 3Q08	Average price per ton 3Q08	T
SBQ	335	5,435	16,224	555	7,858	14,159	
Light Structural	30	339	11,302	41	482	11,756	
Structural	33	371	11,243	40	488	12,200	
Rebar	146	1,210	8,287	127	1,324	10,425	
Others	23	265	0	32	381	0	
Total	567	7,620	13,439	795	10,533	13,249	

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: 2008
GRUPO SIMEC, S.A.B. DE C.V.

FINANCIAL STATEMENT NOTES

CONSOLIDATED

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

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

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

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

b. Principles of Consolidation - As part of the financial debt restructuring agreement into during 1997, Compania Siderurgica de Guadalajara, S.A. de C.V. ("CSG") assumed all of the debt of the Company in return for an equity interest in its subsidiaries. As a result of the above, the Company is the principal shareholder of CSG, and CSG is the principal shareholder of the other subsidiaries that Grupo Simec, S.A. de C.V. ("Simec") controlled before the restructuring.

The main subsidiaries of CSG are the following:

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

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

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

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

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

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

e. Derivative financial instruments - The Company is using derivative financial instruments for hedging risks associated with natural gas prices and conducted studies on historical consumption, future requirements and commitments; thus it avoided exposure to risks other than the normal operating risks. Management of the Company examines its financial risks by continually analyzing price, credit and liquidity risks.

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

As applicable, the Company recognized the fair value of instruments either as liabilities or assets. Such fair value and thus, the value of these assets or liabilities were restated at each month's-end. The Company opted for the early adoption of Bulletin C-10 "Derivative Financial Instruments and Hedging"; therefore, at December 31, 2003 the fair value of natural gas in force during 2004, 2005 and 2006 and which effective portions will not be offset against the asset risks until consumed, were recognized within the comprehensive income account in stockholders' equity.

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

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

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

h. Seniority premiums and severance payments - According to Federal Labor Law, 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, 2008 sales to five customers accounted for approximately 29.8% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes and allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

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

(2) Financial Debt:

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

(3) Commitments and contingent liabilities:

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

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

RELATIONS OF SHARES INVESTMENTS

CONSOLIDATED

COMPANY NAME	MAIN ACTIVITIES	NUMBE SHA
SUBSIDIARIES		
Cia Siderurgica de Guadalajara	Sub-Holding	
Simec International	Production and sales of steel products	
Arrendadora Simec	Production and sales of steel products	
Pacific Steel	Scrap purchase	
Cia. Siderurgica del Pacifico	Rent of land	
Coordinadora de Servicios Siderurgicos de Calidad	Administrative services	
Comercializadora Simec	Sales of steel products	
Industrias del Acero y del Alambre	Sales of steel products	
Procesadora Mexicali	Scrap purchase	
Servicios Simec	Administrative services	
Sistemas de Transporte de Baja California	Freight services	
Operadora de Metales	Administrative services	
Operadora de Servicios Siderurgicos de Tlaxcala	Administrative services	
Administradora de Servicios Siderurgicos de Tlaxcala	Administrative services	

Operadora de Servicios de la Industria Siderurgica	Administrative services
SimRep	Sub-Holding
PAV Republic	Production and sales of steel products
CSG Comercial	Sales of steel products
Comercializadora de Aceros de Tlaxcala	Sales of steel products
Siderurgica de Baja California	Sales of steel products
Corporacion Aceros DM	Production and sales of steel products
Productos Siderurgicos Tlaxcala	Sales of steel products
Comercializadora MSAN	Sales of steel products
Comercializadora Aceros DM	Sales of steel products
Promotora de Aceros San Luis	Sales of steel products
TOTAL INVESTMENT IN SUBSIDIARIES	
ASSOCIATEDS	
TOTAL INVESTMENT IN ASSOCIATEDS	
OTHER PERMANENT INVESTMENTS	
TOTAL	

NOTES

MEXICAN STOCK EXCHANGE
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STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CREDITS BREAK DOWN
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

Credit Type / Institution	Amortization Date	Rate of Interest	Denominated in Pesos (Thousands of Pesos) Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years or More	Denomin (T Current Year	U
BANKS										
GE Capital	20/05/2010	Libor + 0.25								
TOTAL BANKS			0	0	0	0	0	0	0	
LISTED IN THE STOCK EXCHANGE										
UNSECURED DEBT										
Medium Term Notes	15/12/1998	9.33	0	0	0	0	0	0	4,055	
TOTAL STOCK EXCHANGE			0	0	0	0	0	0	4,055	
SUPPLIERS										

Various	528,828	0	0	0	0	0	0	2,938
TOTAL SUPPLIERS	528,828		0	0	0	0	0	2,938
OTHER LOANS WITH COST								
TOTAL	0	0	0	0	0	0	0	
OTHER CURRENT LIABILITIES WITHOUT COST								
Various	706,466	0	0	0	0	0	0	887
TOTAL	706,466	0	0	0	0	0	0	887
TOTAL	1,235,294	0	0	0	0	0	4,055	3,826

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

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MONETARY FOREIGN CURRENCY POSITION

(Thousands of Mexican Pesos)

CONSOLIDATED

FOREIGN CURRENCY POSITION	DOLLARS THOUSANDS OF DOLLARS	DOLLARS THOUSANDS OF PESOS	OTHER CURRENCIE THOUSANDS OF DOLLARS	THOUS P
TOTAL ASSETS	160,913	2,178,506	1	
LIABILITIES POSITION	283,049	3,830,997	586	
SHORT TERM LIABILITIES POSITION	282,399	3,822,197	586	
LONG TERM LIABILITIES POSITION	650	8,800	0	
NET BALANCE	(122,136)	(1,652,491)	(585)	(

NOTES

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

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

DEBT INSTRUMENTS

CONSOLIDATED

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

MEDIUM TERM NOTES

A) Current assets to current liabilities must be 1.0 times or more.

B) Total liabilities to total assets do not be more than 0.60.

C) Operating income plus items added to income which do not require using cash must be 2.0 times or more.

This notes was offered in the international market.

ACTUAL SITUATION OF FINANCIAL LIMITED

MEDIUM TERM NOTES

A) Accomplished the actual situation is 2.45 times.

B) Accomplished the actual situation is 0.29

C) Accomplished the actual situation is 93.89

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

C.P. Jose Flores Flores
Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

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PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

CONSOLIDATED

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CA
GUADALAJARA MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	48
MEXICALI MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	250
INDUSTRIAS DEL ACERO Y DEL ALAMBRE	SALE OF STEEL PRODUCTS	0
APIZACO AND CHOLULA PLANTS	PRODUCTION AND SALES OF STEEL PRODUCTS	460
CANTON CASTER FACILITY	PRODUCTION OF BILLET	1,3

LORAIN CASTER FACILITY	PRODUCTION OF BILLET	1,1
LORAIN HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	84
LACKAWANNA HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	60
MASSILLON COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	12
GARY COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	70
ONTARIO COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	60

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

MAIN RAW MATERIALS

CONSOLIDATED

DOMESTIC	MAIN SUPPLIERS	FOREIGN	MAIN SUPPLIERS	DOMESTIC SUBSTITUTI
PLANTS IN USA		SCRAP	VARIOUS	NO
SCRAP	VARIOUS	PLANTS IN MEXICO		YES
PLANTS IN USA		COKE	VARIOUS	NO
PLANTS IN USA		PELLETS	VARIOUS	NO
FERROALLOYS	VARIOUS	PLANTS IN MEXICO		YES
PLANTS IN USA		FERROALLOYS	VARIOUS	NO
ELECTRODES	VARIOUS	PLANTS IN MEXICO	VARIOUS	YES

PLANTS IN USA	ELECTRODES	VARIOUS	NO

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

SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

DOMESTIC SALES

MAIN PRODUCTS	NET SALES		M
	VOLUME	AMOUNT	TRADEMARK
STRUCTURAL PROFILES	143	1,562,615	
COMMERCIAL PROFILES	55	601,003	
REBAR	378	3,638,583	
FLAT BAR	81	801,724	
STEEL BARS	304	3,264,473	
OTHER	4	226,303	
BILLET	26	210,347	
MALLA	17	178,614	
CASTILLOS	6	76,093	
ALAMBRON	15	155,756	
TOTAL		10,715,511	

FOREIGN SALES	24,471,546
TOTAL	35,187,057

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

SALES DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SALES

MAIN PRODUCTS	NET SALES		
	VOLUME	AMOUNT	TRADEMARK
EXPORTS			
STRUCTURAL PROFILES	40	416,458	
COMMERCIAL PROFILES	21	203,603	
REBAR	89	769,551	
STEEL BARS	43	496,084	
FLAT BAR	15	180,986	
BILLET	0	0	
FOREIGN SUBSIDIARIES			
HOT-ROLLED BARS	944	12,754,052	

COLD-FINISHED BARS	131	2,390,303
SEMI-FINISHED SEAMLESS TUBE ROUNDS	350	3,991,389
OTHER SEMI-FINISHED TRADE PRODUCTS	262	3,269,120
TOTAL		24,471,546

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSTRUCTION IN PROGRESS

CONSOLIDATED

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

PROJECTS IN PROGRESS	TOTAL INVESTMENT
PROJECTS IN REPUBLIC	195,561
PROJECTS IN MEXICALI	158,993
PROJECTS IN TLAXCALA	18,154
PROJECTS IN GUADALAJARA	10,674
PROJECTS IN SAN LUIS (GRUPO SAN)	3,330
TOTAL INVESTMENT AT DECEMBER 31, 2008	386,712

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
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 - All transactions in foreign currency are recorded at the exchange rates prevailing on the date of their execution or liquidation. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing at the balance sheet date. Any exchange differences incurred with regard to assets or liabilities denominated in foreign currency are charged to operations of the period and are included in financial income (expense) in the accompanying consolidated statements of income (loss).

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

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

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

- Applying the prevailing historical exchange rate for stockholders' equity accounts.

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

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK
CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID COUPON	NUMBER OF SHARES			
			FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUBSCRIPTIO
B			90,850,050	406,859,164	0	497,709,21

TOTAL	90,850,050	406,859,164	0	497,709,21

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMAT

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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R20: PRO FORMA FINANCIAL INFORMATION

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

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

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

	Year ended December 31, 2008	Year ended December 31, 2007
Net sales	Ps. 37,871	Ps. 28,899
Marginal profit	7,586	4,635
Net income	Ps. 2,552	Ps. 2,224
Earnings per share	5.26	4.60

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 4 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

GUADALAJARA, JAL, AT FEBRUARY 27 OF 2009.