

GROUP SIMEC SA DE CV
Form 6-K
July 27, 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 Jun, 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: Jul 27, 2011.

By: /s/ Luis García Limón

Name: Luis García Limón

Title: Chief Executive Officer

GUADALAJARA, MEXICO, Jul 27, 2011- Grupo Simec, S.A.B. de C.V. (AMEX: SIM) (Simec) announced today its results of operations for the six-month period ended June 30, 2011.

Comparative first six months of 2011 vs. first six months of 2010

Net Sales

Net sales of the Company increased 8% from Ps. 12,760 million in the first half of 2010 compared to Ps. 13,758 million in the same period of 2011. Shipments of finished steel products decreased 2% from 1,162 thousand tons in the first half of 2010 compared to 1,139 thousand tons in the same period of 2011. Total sales outside of Mexico in the first half of 2011 increased 6% to Ps. 7,575 million compared to Ps. 7,129 million in the same period of 2010, while total Mexican sales increased 10% from Ps. 5,631 million in the first half of 2010 to Ps. 6,183 million in the same period of 2011. The increase in sales for the first six months of 2011 compared to the first six months of 2010, is due to increase in the average sales price, better bland of steel shipment, and the increase in the sales price from the other steel products, while the volume of shipments decrease approximately 23 thousands a fall of 2%.

Cost of Sales

Cost of sales increased 9% from Ps.11,095 million in the first six months of 2010, to Ps. 12,075 million in the same period of 2011. Cost of sales as a percentage of net sales represented 88% in the first half of 2011 compared to 87% in the same period of 2010. The increase in cost of sales is due to the bland of steel shipments, while the cost of certain raw materials reflect mixed results and the net of this main consumption, reflect a low decrease.

Gross Profit

Gross profit of the Company for the first half of 2011 increased 1% from Ps. 1,665 million in the first half of 2010, to Ps. 1,683 million in the same period of 2011. Marginal profit as percentage of net sales in the first half of 2011 was of 12% while to the same period of 2010 was of 13%. The gross profit is similar in both periods, reflected by the increase in the shipments of special bar quality (SBQ), which sales and cost are higher than commercial products.

Operating Expenses

Selling, general and administrative expense decrease 29%, or Ps. 638 million in the first six months of 2010 to Ps. 453 million in the same period 2011, selling, general and administrative expense represented 5% of the net sales of the first six months of 2010 and 3% of net sales in the first half of 2011.

Operating Income

Operating income increased 20% from Ps. 1,027 million for the first six months of 2010 compared to Ps. 1,230 million in the same period of 2011. Operating income as percentage of net sales was 9% in the first half of 2011 compared to 8% in the same period of 2010, respectively. The increase in operating income is due to a better bland of shipments and the reduction in the selling, general and administrative expense.

Ebitda

The ebitda of the first six months of 2011, increase Ps 139 million or 9% this is due to a better bland of steel products shipments and the reduction of selling, general and administrative expense compared to ebitda of Ps.1,547 million of the first half of 2010, and Ps. 1,686 million in the first half of 2011

Comprehensive Financial Cost

Comprehensive financial cost for the first half of 2011 represented an expense of Ps.172 million compared with an expense of Ps. 38 million for the first six months of 2010. The comprehensive financial cost is comprised by the exchange loss of Ps.177 million in the first half of 2011 compared with an exchange loss of Ps. 41 million in the first half of 2010. Also recorded an income interest net of Ps. 5 million and Ps. 3 million in 2011 and 2010 respectively. As of June 30, 2011 the Mexican peso record an revaluation of 4% versus dollar compared the exchange rate of Mexican peso to dollar as of December 31, 2010.

Other Expenses (Income) net

The Company recorded other expense net of Ps. 36 million in the first half of 2010 while in the same period of 2011 the other expense reflected an expense net of Ps. 8 million.

Income Taxes

The Company recorded an income tax of Ps. 14 million in the first half of 2010 compared to Ps. 23 million of income tax in the same period of 2011.

Net Income

As a result of the foregoing, the Company record a decrease in net income of 5% from Ps.1,010 million in the first half of 2010 to Ps. 961 million in the same period of 2011.

Comparative second quarter of 2011 vs. first quarter of 2011

Net Sales

Net sales of the Company increase 10% in the second quarter of 2011 compared to the first quarter of the same period of the year, from Ps. 6,565 million in the first quarter of 2011 compared to Ps. 7,193 million in the second quarter of 2011. Shipments of finished steel products increased 12% from 538 thousand tons in the first quarter of 2011 to 601 thousand tons in the second quarter of 2011. Total sales outside of Mexico in the second quarter of 2011 increased 6% to rose to Ps. 3,897 million compared to Ps. 3,678 million in the first quarter of 2011. Total Mexican sales also show the same trend of growth, 14% from Ps. 2,887 million in the first quarter of 2011 to Ps. 3,296 million in the second quarter of 2011. The increase in sales of the second quarter is due to a; better blend of steel products shipments, increase in volume of shipments and a decrease in the average sales price compared to the first quarter of the same year, the volume shipment was better in 63 thousand ton, compared to the first quarter of 2011.

Cost of Sales

Cost of sales increased 13% from Ps. 5,682 million in the first quarter of 2011 to Ps. 6,393 million in the second quarter of 2011. Cost of sales as a percentage of net sales represented 89% in the second quarter of 2011 while in the first quarter of the same year represented 87%, the average cost of sales by ton record an increase between the two quarter of 1%. The increase in the cost of sales is due to a better blend of steel shipments which cost is higher and an increase in volume of products shipments.

Gross Profit

Gross profit of the Company for the second quarter of 2011 decreased 9% to Ps. 883 million in the first quarter to Ps. 800 million in the second quarter of 2011. Gross profit as a percentage of net sales in the second quarter of 2011 was 11% compared to 13% in the first quarter 2011. The decreased in the gross profit in the second quarter of 2011 is due for the bland of steel shipments and the fall in the average sales price in 2%.

Operating Expenses

Selling, general and administrative expense fell 39% from Ps. 282 million in the first quarter of 2011 to Ps. 171 million in the second quarter of 2011, and represented 4% and 2% of net sales in the first and second quarter of 2011 respectively.

Operating Income

Operating income increased 5%, to Ps. 629 million in the second quarter of 2011 compared to Ps. 601 million in the first quarter of 2011. Operating income as percentage of net sales was 9% in the first and second quarter of 2011 respectively. The increase in operating income is due to a better blend of steel products shipments, volume and reduction in selling, general and administrative expense.

Ebitda

The ebitda in the second quarter of 2011 recorded an increase of 3% compared to the first quarter of the same year, this is due to volume and blend of steel products shipment, and a reduction in the selling, general and administrative expense compared to the first quarter from Ps 831 million in the first quarter to Ps 855 million in the second quarter of 2011.

Comprehensive Financial Cost

Comprehensive financial cost of the Company in the first quarter of 2011 represented an expense of Ps. 84 million compared with an expense of Ps. 87 million for the second quarter of 2011. The comprehensive financial cost is comprised for: the interest expense net, represented an income interest net of Ps. 3 million in the second quarter of 2011, while in the first quarter of 2011 we had an income interest net of Ps. 2 million. Also we record an exchange loss net of Ps. 90 million in the second quarter of 2011 compared an exchange loss net of Ps. 86 million in the first quarter of the same year.

Other Expenses (Income) net

The Company recorded other expense net of Ps. 9 million in the second quarter of 2011 compared to other income net of Ps. 1 million in the first quarter of 2011.

Income Taxes

The Company recorded an income tax of Ps. 11 million in the second quarter of 2011 compared to an income tax of Ps. 11 million in the first quarter of the same year.

Net Income

As a result of the foregoing, the Company record a net income fell of 1% from a net income of Ps. 483 million in the first quarter of 2011 compared to a net income of Ps. 478 million in the second quarter of 2011.

Liquidity and Capital Resources

As of June 30, 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 June 30, 2011 was U.S. \$459,000, or Ps. 5.4 million). As of December 31, 2010, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes (MTN's) due 1998, or Ps. 3.7 million (accrued interest on December 31, 2010 was U.S. \$445,000, or Ps. 5.5 million).

Comparative second quarter of 2011 vs second quarter of 2010

Net Sales

Net sales of the Company increased 13% from Ps. 6,367 million in the second quarter of 2010 to Ps. 7,193 million in the second quarter of 2011. Sales in tons of finished steel increased 8% to 558 thousand tons in the second quarter of 2010 compared with 601 thousand tons in the second quarter of 2011. The total sales outside of

Mexico for the second quarter of 2011 increased 4% from Ps. 3,749 million to Ps. 3,897 million for the second quarter of 2011. Total Mexican sales increase 26% from Ps. 2,618 million in the second quarter of 2010 to Ps. 3,296 million in the second quarter of 2011. Prices of finished products sold in the second quarter of 2011 increased 5% compared to the second quarter of 2010.

Cost of Sales

Cost of sales increased 12% in the second quarter of 2011 compared to same period of 2010, from Ps. 5,704 million in the second quarter of 2010 to Ps. 6,393 million in the second quarter of 2011. With respect to sales, in the second quarter of 2010, the direct cost of sales represent 90% compared to 89% for the second quarter of 2011. The average cost of raw materials used to produce steel products increased 4% in the second quarter of 2011 versus the second quarter of 2010, primarily as a result of better blend of steel products shipments.

Gross (Loss) Profit

Gross profit of the Company for the second quarter of 2011 rose to Ps. 800 million compared to Ps.663 million in the second quarter of 2010, this represented an increase of 21%. The gross profit as a percentage of net sales for the second quarter of 2011 was 11% compared to 10% for the second quarter of 2010. The increase in gross profit is due to the increase in volume, blend of steel products shipments and the average sales price.

Operating Expenses

The selling, general and administrative expense decreased 31% in the second quarter of 2011 from Ps. 248 million in the second quarter of 2010 to Ps. 171 million in the second quarter of 2011. The selling, general and administrative expense as a percentage of net sales represented 2% during the second quarter of 2011 and 4% the second quarter of 2010.

Operating (Loss) Income

Operating income rose to Ps. 629 million in the second quarter 2011 compared to Ps. 415 million in the second quarter of 2010, this represented the 52% of increase. The operating income as a percentage of net sales in the second quarter of 2010 was 6% compared to 9% in the second quarter of 2011. The increase in the operating income is due to better blend of steel products shipments, volume, average sales price and reduction in selling, general and administrative expense.

Ebitda

The ebitda of the second quarter of 2011 increase compared to 2010 in 26% from Ps 676 million in the second quarter of 2010 compared to Ps.855 million of the same period of 2011, this is due to the above explained in the operating income.

Comprehensive Financial Cost

Comprehensive financial cost of the Company for the second quarter of 2011 represented an expense of Ps. 87 million compared with an expense of Ps. 14 million for the second quarter of 2010. The comprehensive financial cost is comprised for: The interest cost recorded was an income net of Ps. 3 million in the second quarter of 2011, compared to an income net of Ps. zero. for the same period of 2010. Also recorded an exchange loss of Ps. 90 million in the second quarter of 2011 and Ps.14 million in the second quarter of 2010.

Other Expenses (Income) net

The company recorded other expense net of Ps. 9 million in the second quarter of 2011 compared with other expense net of Ps.46 million for the second quarter of 2010.

Income Taxes

The company record an income tax for Ps. 11 million in the second quarter of 2011 compared to Ps. 33 million of income for income tax for the second quarter of 2010.

Net Income (Loss)

As a result of the foregoing, the Company net income was of Ps. 478 million in the second quarter of 2011 compared to Ps.439 million for the second quarter of 2010.

Note. In accordance with Mexican Financial Reporting Standards (MFRS), from 2011, only allowed the valuation of inventory through the system absorbing cost, and some figures have been adjusted in the income statement of 2010 for purposes of comparisons.

| (million of pesos) | 1H 11 | 1H 10 | Year 11 vs '10 |
|----------------------------|--------|--------|----------------|
| Sales | 13,758 | 12,760 | 8% |
| Cost of Sales | 12,075 | 11,095 | 9% |
| Gross Profit | 1,683 | 1,665 | 1% |
| Operating Expenses | 453 | 638 | -29% |
| Operating Profit | 1,230 | 1,027 | 20% |
| EBITDA | 1,686 | 1,547 | 9% |
| Net income before Minority | 1,073 | 967 | 11% |
| Sales Outside Mexico | 7,575 | 7,129 | 6% |
| Sales in Mexico | 6,183 | 5,631 | 10% |
| Total Sales (Tons) | 1,139 | 1162 | -2% |

| Quarter | | | | | |
|----------------------------|-------|-------|-------|----------------|------------------|
| (millones of pesos) | 2Q 11 | 1Q 11 | 2Q 10 | 2Q '11vs 1Q'11 | 2Q '11 vs 2Q '10 |
| Sales | 7,193 | 6,565 | 6,367 | 10% | 13% |
| Cost of Sales | 6,393 | 5,682 | 5,704 | 13% | 12% |
| Gross Profit | 800 | 883 | 663 | -9% | 21% |
| Operating Expenses | 171 | 282 | 248 | -39% | -31% |
| Operating Profit | 629 | 601 | 415 | 5% | 52% |
| EBITDA | 855 | 831 | 676 | 3% | 26% |
| Net Income before Minority | 544 | 529 | 388 | 3% | 40% |
| Sales Outside Mexico | 3,897 | 3,678 | 3,749 | 6% | 4% |
| Sales in Mexico | 3,296 | 2,887 | 2,618 | 14% | 26% |
| Total Sales (Tons) | 601 | 538 | 558 | 12% | 8% |

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| Product | Thousand of Tons Jan-Jun 2011 | Million of Pesos Jan-Jun 2011 | Average Price per Ton Jan-Jun 2011 | Thousand of Tons Jan Jun 2010 | Million of Pesos Jan- Jun 2010 | Average Price per Ton Jan-Jun 2010 | | | |
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|--|--|--|
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|--|--|--|

| | | | | | | | | | |
|---------------------|-------|--------|--------|-------|--------|--------|--|--|--|
| Commercial Profiles | 419 | 4,148 | 9,900 | 542 | 4,810 | 8,874 | | | |
| Special Profiles | 720 | 9,610 | 13,347 | 620 | 7,950 | 12,823 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | 1,139 | 13,758 | 12,079 | 1,162 | 12,760 | 10,981 | | | |
| | | | | | | | | | |

| Product | Thousand of Tons Apr-Jun 2011 | Million of Pesos Apr-Jun 2011 | Average Price per Ton Apr-Jun 2011 | Thousand of Tons Jan Mar 2011 | Million of Pesos Jan- Mar 2011 | Average Price per Ton Jan-Mar 2011 | Thousand of Tons Apr-Jun 2010 | Million of Pesos Apr-Jun 2010 | Average Price per Ton Apr-Jun 2010 |
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|----------------------------------|----------------------------------|---------------------------------------|
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|----------------------------------|----------------------------------|---------------------------------------|

| | | | | | | | | | |
|---------------------|-----|-------|--------|-----|-------|--------|-----|-------|--------|
| Commercial Profiles | 222 | 2,163 | 9,746 | 197 | 1,984 | 10,073 | 250 | 2,277 | 9,108 |
| Special Profiles | 379 | 5,029 | 13,269 | 341 | 4,581 | 13,434 | 308 | 4,090 | 13,279 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | 601 | 7,193 | 11,968 | 538 | 6,565 | 12,203 | 558 | 6,367 | 11,410 |
| | | | | | | | | | |

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: 2 YEAR: **2011**

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

CONSOLIDATED FINANCIAL STATEMENT

AT JUNE 30 OF 2011 AND 2010

(thousands of Mexican pesos)

| REF S | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|---|-------------------|------------|-------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| s01 | TOTAL ASSETS | 28,065,851 | 100 | 27,433,035 | 100 |
| s02 | CURRENT ASSETS | 13,327,499 | 47 | 11,913,535 | 43 |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 4,047,112 | 14 | 2,868,445 | 10 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 3,271,900 | 12 | 3,232,511 | 12 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE | 744,856 | 3 | 560,912 | 2 |
| s06 | INVENTORIES | 5,192,598 | 19 | 5,044,796 | 18 |
| s07 | OTHER CURRENT ASSETS | 71,033 | 0 | 206,871 | 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) | 9,231,223 | 33 | 9,563,054 | 35 |
| s13 | LAND AND BULIDINGS | 3,985,966 | 14 | 3,724,126 | 14 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 13,039,559 | 46 | 12,982,644 | 47 |
| s15 | OTHER EQUIPMENT | 244,918 | 1 | 232,798 | 1 |
| s16 | ACCUMULATED DEPRECIATION | 8,465,457 | 30 | 7,807,070 | 28 |
| s17 | CONSTRUCTION IN PROGRESS | 426,237 | 2 | 430,556 | 2 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 3,948,380 | 14 | 4,329,433 | 16 |
| s19 | OTHER ASSETS | 1,558,749 | 6 | 1,627,013 | 1 |
| s20 | TOTAL LIABILITIES | 6,637,447 | 100 | 6,633,206 | 100 |
| s21 | CURRENT LIABILITIES | 3,921,440 | 59 | 3,840,858 | 58 |
| s22 | SUPPLIERS | 2,429,174 | 37 | 2,294,030 | 35 |
| s23 | BANK LOANS | 0 | 0 | 0 | 0 |
| s24 | STOCK MARKET LOANS | 3,575 | 0 | 3,822 | 0 |
| s103 | OTHER LOANS WITH COST | 633,838 | 10 | 586,824 | 9 |

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| | | | | | |
|------------|---|-------------------|------------|-------------------|------------|
| s25 | TAXES PAYABLE | 367,020 | 6 | 147,557 | 2 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 487,833 | 7 | 808,625 | 12 |
| 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 | 2,716,007 | 41 | 2,792,348 | 42 |
| | | | | | |
| s33 | CONSOLIDATED STOCKHOLDERS EQUITY | 21,428,404 | 100 | 20,799,829 | 100 |
| | | | | | |
| s34 | MINORITY INTEREST | 1,818,002 | 8 | 2,080,577 | 10 |
| s35 | MAJORITY INTEREST | 19,610,402 | 92 | 18,719,252 | 90 |
| s36 | CONTRIBUTED CAPITAL | 8,350,900 | 39 | 8,350,900 | 40 |
| S79 | CAPITAL STOCK | 4,142,696 | 19 | 4,142,696 | 20 |
| s39 | PREMIUM ON ISSUANCE OF SHARES | 4,208,204 | 20 | 4,208,204 | 20 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | EARNED CAPITAL | 11,259,502 | 53 | 10,368,352 | 50 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 10,940,361 | 51 | 10,038,287 | 48 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 319,141 | 1 | 330,065 | 2 |
| s80 | SHARES REPURCHASED | 0 | 0 | 0 | 0 |

MEXICAN STOCK EXCHANGE**SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 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 | 4,047,112 | 100 | 2,868,445 | 100 |
| s46 | CASH | 1,305,835 | 32 | 2,003,547 | 70 |
| s47 | SHORT-TERM INVESTMENTS | 2,741,277 | 68 | 864,898 | 30 |
| s07 | OTHER CURRENT ASSETS | 71,033 | 100 | 206,871 | 100 |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s83 | OTHER | 71,033 | 100 | 206,871 | 100 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 3,948,380 | 100 | 4,329,433 | 100 |
| s48 | DEFERRED EXPENSES | 2,139,506 | 54 | 2,520,375 | 58 |
| s49 | GOODWILL | 1,798,293 | 46 | 1,798,293 | 42 |
| s51 | OTHER | 10,581 | 0 | 10,765 | 0 |
| s19 | OTHER ASSETS | 1,558,749 | 100 | 1,627,013 | 100 |
| s84 | INTANGIBLE ASSET FROM LABOR OBLIGATIONS | 0 | 0 | 0 | 0 |
| s85 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s50 | DEFERRED TAXES | 0 | 0 | 0 | 0 |
| s86 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s87 | OTHER | 1,558,749 | 100 | 1,627,013 | 100 |
| s21 | CURRENT LIABILITIES | 3,921,440 | 100 | 3,840,858 | 100 |
| s52 | FOREIGN CURRENCY LIABILITIES | 2,831,444 | 72 | 2,502,693 | 65 |
| s53 | MEXICAN PESOS LIABILITIES | 1,089,996 | 28 | 1,338,165 | 35 |
| s26 | OTHER CURRENT LIABILITIES WITHOUT COST | 487,833 | 100 | 808,625 | 100 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 6,035 | 1 | 169,894 | 21 |
| s89 | INTEREST LIABILITIES | 5,430 | 1 | 5,463 | 1 |
| s68 | PROVISIONS | 0 | 0 | 0 | 0 |

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| | | | | | |
|---|---|------------------|------------|------------------|------------|
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 476,368 | 98 | 633,268 | 78 |
| s27 LONG-TERM LIABILITIES | | | | | |
| 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 | | | | | |
| 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 | | | | | |
| s32 | OTHER NON CURRENT LIABILITIES WITHOUT COST | 2,716,007 | 100 | 2,792,348 | 100 |
| s66 | DEFERRED TAXES | 2,617,154 | 96 | 2,705,881 | 97 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 45,321 | 2 | 32,955 | 1 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 53,532 | 2 | 53,512 | 2 |
| s79 CAPITAL STOCK | | | | | |
| 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**QUARTER: 2 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 | % |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 10,940,361 | 100 | 10,038,287 | 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 | 89 | 8,875,093 | 88 |
| s45 | NET INCOME FOR THE YEAR | 961,113 | 9 | 962,582 | 10 |
| OTHER ACCUMULATED COMPREHENSIVE RESULT | | | | | |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 319,141 | 100 | 330,065 | 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 | 323,366 | 101 | 448,991 | 136 |
| s97 | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | (4,225) | (1) | (118,926) | (36) |
| 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: 2 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 | 9,406,059 | 8,072,677 |
| S73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| S74 | EXECUTIVES (*) | 54 | 56 |
| S75 | EMPLOYERS (*) | 1,479 | 1,421 |
| S76 | WORKERS (*) | 3,127 | 3,048 |
| 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 | 633,838 | 586,824 |

(*)

THESE ITEMS SHOULD BE EXPRESSED IN UNITS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

STATEMENTS OF INCOME

FROM JANUARY 1 TO JUNE 30 OF 2011 AND 2010

(thousands of Mexican pesos)

| REF R | CATEGORIES | CURRENT YEAR | | PREVIOUS YEAR | |
|----------|---|-------------------|------------|-------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 13,758,184 | 100 | 12,759,896 | 100 |
| r02 | COST OF SALES | 12,074,630 | 88 | 10,772,164 | 84 |
| r03 | GROSS PROFIT | 1,683,554 | 12 | 1,987,732 | 16 |
| r04 | OPERATING EXPENSES | 453,331 | 3 | 1,007,880 | 8 |
| r05 | OPERATING INCOME | 1,230,223 | 9 | 979,852 | 8 |
| r08 | OTHER INCOME AND (EXPENSE), NET | (8,308) | 0 | (35,911) | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | (171,535) | (1) | (38,311) | 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 | 1,050,380 | 8 | 905,630 | 7 |
| r10 | INCOME TAXES | (22,701) | 0 | (13,556) | 0 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 1,073,081 | 8 | 919,186 | 7 |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| r18 | NET CONSOLIDATED INCOME | 1,073,081 | 8 | 919,186 | 7 |
| r19 | NET INCOME OF MINORITY INTEREST | 111,968 | 1 | (43,396) | 0 |
| r20 | NET INCOME OF MAJORITY INTEREST | 961,113 | 7 | 962,582 | 8 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

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

| REF R | CONCEPTS | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|--|-------------------|------------|-------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 13,758,184 | 100 | 12,759,896 | 100 |
| r21 | DOMESTIC | 6,183,036 | 45 | 5,630,508 | 44 |
| r22 | FOREIGN | 7,575,148 | 55 | 7,129,388 | 56 |
| r23 | TRANSLATED INTO DOLLARS (***) | 639,852 | 5 | 565,855 | 4 |
| r08 | OTHER INCOME AND (EXPENSE), NET | (8,308) | 100 | (35,911) | 100 |
| r49 | OTHER INCOME AND (EXPENSE), NET | (8,308) | 100 | (35,911) | 100 |
| r34 | EMPLOYEES PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| r35 | DEFERRED EMPLOYEES PROFIT SHARING | 0 | 0 | 0 | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | (171,535) | 100 | (38,311) | 100 |
| r24 | INTEREST EXPENSE | 5,409 | (3) | 6,096 | (16) |
| r42 | GAIN (LOSS) ON RESTATEMENT OF UDI S | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 9,920 | (6) | 8,531 | (22) |
| r46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| r25 | FOREIGN EXCHANGE GAIN (LOSS), NET | (176,046) | 103 | (40,746) | 106 |
| r28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| r10 | INCOME TAXES | (22,701) | 100 | (13,556) | 100 |
| r32 | INCOME TAX | 16,712 | (74) | 32,391 | (239) |
| r33 | DEFERRED INCOME TAX | (39,413) | 174 | (45,947) | 339 |

(***)

THOUSANDS OF DOLLARS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

STATEMENTS OF INCOME**OTHER CONCEPTS**

(thousands of Mexican pesos)

| REF R | CONCEPTS | CURRENT YEAR | PREVIOUS YEAR |
|------------------|---|---------------------|----------------------|
| | | AMOUNT | AMOUNT |
| r36 | TOTAL SALES | 13,914,351 | 13,292,195 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |
| r38 | NET SALES (**) | 25,574,724 | 22,749,360 |
| r39 | OPERATION INCOME (**) | 1,336,681 | (552,918) |
| r40 | NET INCOME OF MAJORITY INTEREST (**) | 903,558 | (781,538) |
| r41 | NET CONSOLIDATED INCOME (**) | 760,316 | (181,863) |
| r47 | OPERATIVE DEPRECIATION AND AMORTIZATION | 456,201 | 519,626 |

(**)

RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

QUARTERLY STATEMENTS OF INCOME
FROM JANUARY 1 TO JUNE 30 OF 2011 AND 2010
(thousands of Mexican pesos)

| REF R | CATEGORIES | CURRENT YEAR | | PREVIOUS YEAR | |
|------------|---|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| r01 | NET SALES | 7,192,733 | 100 | 6,366,902 | 100 |
| r02 | COST OF SALES | 6,392,363 | 89 | 5,503,367 | 86 |
| r03 | GROSS PROFIT | 800,370 | 11 | 863,535 | 14 |
| r04 | OPERATING EXPENSES | 171,072 | 2 | 495,799 | 8 |
| r05 | OPERATING INCOME | 629,298 | 9 | 367,736 | 6 |
| r08 | OTHER INCOME AND (EXPENSE), NET | (9,246) | 0 | (46,140) | 0 |
| r06 | COMPREHENSIVE FINANCING RESULT | (87,256) | (1) | (13,965) | 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 | 532,796 | 7 | 307,631 | 5 |
| r10 | INCOME TAXES | (11,532) | 0 | (34,090) | 0 |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS | 544,328 | 8 | 341,721 | 5 |
| r14 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| r18 | NET CONSOLIDATED INCOME | 544,328 | 8 | 341,721 | 5 |
| r19 | NET INCOME OF MINORITY INTEREST | 66,068 | 1 | (50,805) | 0 |
| r20 | NET INCOME OF MAJORITY INTEREST | 478,260 | 7 | 392,526 | 6 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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 | | PREVIOUS YEAR | |
|-------------|--|------------------|------------|------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| rt01 | NET SALES | 7,192,733 | 100 | 6,366,902 | 100 |
| rt21 | DOMESTIC | 3,295,911 | 46 | 2,617,696 | 41 |
| rt22 | FOREIGN | 3,896,822 | 54 | 3,749,206 | 59 |
| rt23 | TRANSLATED INTO DOLLARS (***) | 329,154 | 5 | 297,383 | 5 |
| rt08 | OTHER INCOME AND (EXPENSE), NET | (9,246) | 100 | (46,140) | 100 |
| rt49 | OTHER INCOME AND (EXPENSE), NET | (9,246) | 100 | (46,140) | 100 |
| rt34 | EMPLOYEES PROFIT SHARING EXPENSES | 0 | 0 | 0 | 0 |
| rt35 | DEFERRED EMPLOYEES PROFIT SHARING | 0 | 0 | 0 | 0 |
| rt06 | COMPREHENSIVE FINANCING RESULT | (87,256) | 100 | (13,965) | 100 |
| rt24 | INTEREST EXPENSE | 2,200 | (3) | 6,096 | (44) |
| rt42 | GAIN (LOSS) ON RESTATEMENT OF UDI S | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCE COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 4,541 | (5) | 5,951 | (43) |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE GAIN (LOSS), NET | (89,597) | 103 | (13,820) | 99 |
| rt28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| rt10 | INCOME TAXES | (11,532) | 100 | (34,090) | 100 |
| rt32 | INCOME TAX | (5,421) | 47 | 10,160 | (30) |
| rt33 | DEFERRED INCOME TAX | (6,111) | 53 | (44,250) | 130 |

(***)

THOUSANDS OF DOLLARS

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 2 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 | 226,162 | 261,142 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: SIMEC

QUARTER: 2 YEAR:20110

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

STATE OF CASH FLOW DIRECT METHOD)
FROM JANUARY 1 TO JUNE 30 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 | 1,050,380 | 905,630 |
| e02 | + (-) ITEMS NOT REQUIRING CASH | 0 | 0 |
| e03 | + (-) ITEMS RELATED TO INVESTING ACTIVITIES | 446,269 | 510,910 |
| e04 | + (-) ITEMS RELATED TO FINANCING ACTIVITIES | (7,142) | 6,096 |
| e05 | CASH FLOW BEFORE INCOME TAX | 1,489,507 | 1,422,636 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (624,583) | (189,578) |
| e07 | CASH FLOW PROVIDED OF OPERATING ACTIVITIES | 864,924 | 1,233,058 |
| | INVESTMENT ACTIVITIES | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (202,006) | (156,141) |
| e09 | CASH FLOW AFTER INVESTING ACTIVITIES | 662,918 | 1,076,917 |
| | FINANCING ACTIVITIES | | |
| e10 | NET CASH FROM FINANCING ACTIVITIES | 0) | (156,808) |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 662,918 | 920,109 |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS | (723) | (564) |
| 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 | 4,047,112 | 2,868,445 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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 | 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 | 446,269 | 510,910 |
| e18 | + DEPRECIATION AND AMORTIZATION FOR THE PERIOD | 456,201 | 519,626 |
| 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 | (9,920) | .(8,531) |
| e24 | (-) + OTHER ITEMS | (12) | (185) |
| e04 | + (-) ITEMS RELATED TO FINANCING ACTIVITIES | (7,142) | 6,096 |
| e25 | + ACCRUED INTEREST | (7,142) | 6,096 |
| e26 | + (-) OTHER ITEMS | 0 | 0 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (624,583) | (189,578) |
| e27 | + (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE | (848,133) | (1,198,395) |
| e28 | + (-) DECREASE (INCREASE) IN INVENTORIES | (174,817) | 119,260 |
| e29 | + (-)DECREASE (INCREASE) IN IN OTHER ACCOUNT RECEIVABLES | 86,132 | 883,412 |
| e30 | + (-) INCREASE DECREASE IN SUPPLIERS | 333,720 | 398,802 |
| e31 | + (-)INCREASE DECREASE IN OTHER LIABILITIES | (21,479) | (377,980) |
| e32 | + (-) INCOME TAXES PAID OR RETURNED | (6) | (14,677) |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (202,006) | (156,141) |
| e33 | (-) PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e34 | + DISPOSITION OF PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e35 | (-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT | (188,346) | (164,672) |

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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 | 9,920 | 8,531 |
| e43 | + (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS | 0 | 0 |
| e44 | + (-) OTHER ITEMS | (23,580) | 0 |
| e10 NET CASH FROM FINANCING ACTIVITIES | | | |
| | | 0 | (156,808) |
| e45 | + BANK FINANCING | 0 | 0 |
| e46 | + STOCK MARKET FINANCING | 0 | 0 |
| e47 | + OTHER FINANCING | 0 | 208,836 |
| e48 | (-) BANK FINANCING AMORTIZATION | 0 | 0 |
| e49 | (-) STOCK MARKET FINANCING AMORTIZATION | 0 | 0 |
| e50 | (-) OTHER FINANCING AMORTIZATION | 0 | (359,548) |
| 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 | (6,096) |
| e56 | (-) REPURCHASE OF SHARES | 0 | 0 |
| e57 | + (-) OTHER ITEMS | 0 | 0 |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

**DATE PER SHARE
CONSOLIDATED**

| REF D | CATEGORIES | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|------------------|---|--|---|
| d01 | BASIC PROFIT PER ORDINARY SHARE (**) | \$ 1.81 | \$ (0.37) |
| 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 (**) | \$ 1.81 | \$(0.37) |
| d05 | DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**) | \$ 0.00 | \$ 0.00 |
| d08 | CARRYING VALUE PER SHARE | \$39.40 | \$37.61 |
| 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 | 0.68 times | 0.81 times |
| d12 | MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE | 16.28 times | (82.92) times |
| d13 | MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**) | 0.00 times | 0.00 times |

(**)

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

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

RATIOS**CONSOLIDATED**

| REF P | CATEGORIES | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|------------------|--|--|---|
| | YIELD | | |
| p01 | NET INCOME TO NET SALES | 7.80% | 7.20% |
| p02 | NET INCOME TO STOCKHOLDERS EQUITY (**) | 3.55% | (0.87%) |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 2.71% | (0.66%) |
| 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 (**) | 0.91 times | 0.83 times |
| p07 | NET SALES TO FIXED ASSETS (**) | 2.77 times | 2.38 times |
| p08 | INVENTORIES TURNOVER (**) | 2.33 times | 2.14 times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 37 days | 39 days |
| p10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**) | 0.85% | 4.25% |
| | LEVERAGE | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 23.65% | 24.18% |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS EQUITY | 0.31 times | 0.32 times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 42.66% | 37.73% |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 0.00% | 0.00% |
| p15 | OPERATING INCOME TO INTEREST PAID | 227.44 times | 160.74 times |
| p16 | NET SALES TO TOTAL LIABILITIES (**) | 3.85 times | 3.43 times |
| | LIQUIDITY | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 3.40 times | 3.10 times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 2.07 times | 1.79 times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 2.01 times | 1.80 times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 103.20% | 74.68% |

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC**

QUARTER: 2 YEAR: **2011**

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

DIRECTOR REPORT

Comparative first six months of 2011 vs. first six months of 2010

Net Sales

Net sales of the Company increased 8% from Ps. 12,760 million in the first half of 2010 compared to Ps. 13,758 million in the same period of 2011. Shipments of finished steel products decreased 2% from 1,162 thousand tons in the first half of 2010 compared to 1,139 thousand tons in the same period of 2011. Total sales outside of Mexico in the first half of 2011 increased 6% to Ps. 7,575 million compared to Ps. 7,129 million in the same period of 2010, while total Mexican sales increased 10% from Ps. 5,631 million in the first half of 2010 to Ps. 6,183 million in the same period of 2011. The increase in sales for the first six months of 2011 compared to the first six months of 2010, is due to increase in the average sales price, better blend of steel shipment, and the increase in the sales price from the other steel products, while the volume of shipments decrease approximately 23 thousands a fall of 2%.

Cost of Sales

Cost of sales increased 9% from Ps. 11,095 million in the first six months of 2010, to Ps. 12,075 million in the same period of 2011. Cost of sales as a percentage of net sales represented 88% in the first half of 2011 compared to 87% in the same period of 2010. The increase in cost of sales is due to the blend of steel shipments, while the cost of certain raw materials reflect mixed results and the net of this main consumption, reflect a low decrease.

Gross Profit

Gross profit of the Company for the first half of 2011 increased 1% from Ps. 1,665 million in the first half of 2010, to Ps. 1,683 million in the same period of 2011. Marginal profit as percentage of net sales in the first half of 2011 was of 12% while to the same period of 2010 was of 13%. The gross profit is similar in both periods, reflected by the increase in the shipments of special bar quality (SBQ), which sales and cost are higher than commercial products.

Operating Expenses

Selling, general and administrative expense decrease 29%, or Ps. 638 million in the first six months of 2010 to Ps. 453 million in the same period 2011, selling, general and administrative expense represented 5% of the net sales of the first six months of 2010 and 3% of net sales in the first half of 2011.

Operating Income

Operating income increased 20% from Ps. 1,027 million for the first six months of 2010 compared to Ps. 1,230 million in the same period of 2011. Operating income as percentage of net sales was 9% in the first half of 2011 compared to 8% in the same period of 2010, respectively. The increase in operating income is due to a better blend of shipments and the reduction in the selling, general and administrative expense.

Ebitda

The ebitda of the first six months of 2011, increase Ps 139 million or 9% this is due to a better bland of steel products shipments and the reduction of selling, general and administrative expense compared to ebitda of Ps.1,547 million of the first half of 2010,and Ps. 1,686 million in the first half of 2011

Comprehensive Financial Cost

Comprehensive financial cost for the first half of 2011 represented an expense of Ps.172 million compared with an expense of Ps. 38 million for the first six months of 2010. The comprehensive financial cost is comprised by the exchange loss of Ps.177 million in the first half of 2011 compared with an exchange loss of Ps. 41 million in the first half of 2010.Also recorded an income interest net of Ps. 5 million and Ps. 3 million in 2011 and 2010 respectively. As of June 30, 2011 the mexican peso record an revaluation of 4% versus dollar compared the exchange rate of Mexican peso to dollar as of December 31, 2010.

Other Expenses (Income) net

The Company recorded other expense net of Ps. 36 million in the first half of 2010 while in the same period of 2011 the other expense reflected an expense net of Ps. 8 million.

Income Taxes

The Company recorded an income tax of Ps. 14 million in the first half of 2010 compared to Ps. 23 million of income tax in the same period of 2011.

Net Income

As a result of the foregoing, the Company record a decrease in net income of 5% from Ps.1,010 million in the first half of 2010 to Ps. 961 million in the same period of 2011.

Comparative second quarter of 2011 vs. first quarter of 2011

Net Sales

Net sales of the Company increase 10% in the second quarter of 2011 compared to the first quarter of the same period of the year, from Ps. 6,565 million in the first quarter of 2011 compared to Ps. 7,193 million in the second quarter of 2011. Shipments of finished steel products increased 12% from 538 thousand tons in the first quarter of 2011 to 601 thousand tons in the second quarter of 2011. Total sales outside of Mexico in the second quarter of 2011 increased 6% to rose to Ps. 3,897 million compared to Ps. 3,678 million in the first quarter of 2011. Total Mexican sales also show the same trend of growth, 14% from Ps. 2,887 million in the first quarter of 2011 to Ps. 3,296 million in the second quarter of 2011. The increase in sales of the second quarter is due to a; better bland of steel products shipments, increase in volume of shipments and a decrease in the average sales price compared to the first quarter of the same year, the volume shipment was better in 63 thousand ton, compared to the first quarter of 2011.

Cost of Sales

Cost of sales increased 13% from Ps. 5,682 million in the first quarter of 2011 to Ps. 6,393 million in the second quarter of 2011. Cost of sales as a percentage of net sales represented 89% in the second quarter of 2011 while in the first quarter of the same year represented 87%, the average cost of sales by ton record an increase between the two quarter of 1%.The increase in the cost of sales is due to a better bland of steel shipments which cost is higher and an increase in volume of products shipments.

Gross Profit

Gross profit of the Company for the second quarter of 2011 decreased 9% to Ps. 883 million in the first quarter to Ps. 800 million in the second quarter of 2011. Gross profit as a percentage of net sales in the second quarter of 2011 was 11% compared to 13% in the first quarter 2011. The decreased in the gross profit in the second quarter of 2011 is due for the bland of steel shipments and the fall in the average sales price in 2%.

Operating Expenses

Selling, general and administrative expense fell 39% from Ps. 282 million in the first quarter of 2011 to Ps. 171 million in the second quarter of 2011, and represented 4% and 2% of net sales in the first and second quarter of 2011 respectively.

Operating Income

Operating income increased 5%, to Ps. 629 million in the second quarter of 2011 compared to Ps. 601 million in the first quarter of 2011. Operating income as percentage of net sales was 9% in the first and second quarter of 2011 respectively. The increase in operating income is due to a better bland of steel products shipments, volume and reduction in selling, general and administrative expense.

Ebitda

The ebitda in the second quarter of 2011 recorded an increase of 3% compared to the first quarter of the same year, this is due to volume and bland of steel products shipment, and a reduction in the selling, general and administrative expense compared to the first quarter from Ps 831 million in the first quarter to Ps 855 million in the second quarter of 2011.

Comprehensive Financial Cost

Comprehensive financial cost of the Company in the first quarter of 2011 represented an expense of Ps. 84 million compared with an expense of Ps. 87 million for the second quarter of 2011. The comprehensive financial cost is comprised for: the interest expense net, represented an income interest net of Ps. 3 million in the second quarter of 2011, while in the first quarter of 2011 we had an income interest net of Ps. 2 million. Also we record an exchange loss net of Ps. 90 million in the second quarter of 2011 compared an exchange loss net of Ps. 86 million in the first quarter of the same year.

Other Expenses (Income) net

The Company recorded other expense net of Ps. 9 million in the second quarter of 2011 compared to other income net of Ps. 1 million in the first quarter of 2011.

Income Taxes

The Company recorded an income tax of Ps. 11 million in the second quarter of 2011 compared to an income tax of Ps. 11 million in the first quarter of the same year.

Net Income

As a result of the foregoing, the Company record a net income fell of 1% from a net income of Ps. 483 million in the first quarter of 2011 compared to a net income of Ps. 478 million in the second quarter of 2011.

Liquidity and Capital Resources

As of June 30, 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 June 30, 2011 was U.S. \$459,000, or Ps. 5.4 million). As of December 31, 2010, Simec s total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes (MTN's) due 1998, or Ps. 3.7 million (accrued interest on December 31, 2010 was U.S. \$445,000, or Ps. 5.5 million).

Comparative second quarter of 2011 vs second quarter of 2010

Net Sales

Net sales of the Company increased 13% from Ps. 6,367 million in the second quarter of 2010 to Ps. 7,193 million in the second quarter of 2011. Sales in tons of finished steel increased 8% to 558 thousand tons in the second quarter of 2010 compared with 601 thousand tons in the second quarter of 2011. The total sales outside of Mexico for the second quarter of 2011 increased 4% from Ps. 3,749 million to Ps. 3,897 million for the second quarter of 2011. Total Mexican sales increase 26% from Ps. 2,618 million in the second quarter of 2010 to Ps. 3,296 million in the second quarter of 2011. Prices of finished products sold in the second quarter of 2011 increased 5% compared to the second quarter of 2010.

Cost of Sales

Cost of sales increased 12% in the second quarter of 2011 compared to same period of 2010, from Ps. 5,704 million in the second quarter of 2010 to Ps. 6,393 million in the second quarter of 2011. With respect to sales, in the second quarter of 2010, the direct cost of sales represent 90% compared to 89% for the second quarter of 2011. The average cost of raw materials used to produce steel products increased 4% in the second quarter of 2011 versus the second quarter of 2010, primarily as a result of better bland of steel products shipments.

Gross (Loss) Profit

Gross profit of the Company for the second quarter of 2011 rose to Ps. 800 million compared to Ps. 663 million in the second quarter of 2010, this represented an increase of 21%. The gross profit as a percentage of net sales for the second quarter of 2011 was 11% compared to 10% for the second quarter of 2010. The increase in gross profit is due to the increase in volume, bland of steel products shipments and the average sales price.

Operating Expenses

The selling, general and administrative expense decreased 31% in the second quarter of 2011 from Ps. 248 million in the second quarter of 2010 to Ps. 171 million in the second quarter of 2011. The selling, general and administrative expense as a percentage of net sales represented 2% during the second quarter of 2011 and 4% the second quarter of 2010.

Operating (Loss) Income

Operating income rose to Ps. 629 million in the second quarter 2011 compared to Ps. 415 million in the second quarter of 2010, this represented the 52% of increase. The operating income as a percentage of net sales in the second quarter of 2010 was 6% compared to 9% in the second quarter of 2011. The increase in the operating income is due to better bland of steel products shipments, volume, average sales price and reduction in selling, general and administrative expense.

Ebitda

The ebitda of the second quarter of 2011 increase compared to 2010 in 26% from Ps 676 million in the second quarter of 2010 compared to Ps. 855 million of the same period of 2011, this is due to the above explained in the operating income.

Comprehensive Financial Cost

Comprehensive financial cost of the Company for the second quarter of 2011 represented an expense of Ps. 87 million compared with an expense of Ps. 14 million for the second quarter of 2010. The comprehensive financial cost is comprised for: The interest cost recorded was an income net of Ps. 3 million in the second quarter of 2011, compared to an income net of Ps. zero. for the same period of 2010. Also recorded an exchange loss of Ps. 90 million in the second quarter of 2011 and Ps.14 million in the second quarter of 2010.

Other Expenses (Income) net

The company recorded other expense net of Ps. 9 million in the second quarter of 2011 compared with other expense net of Ps.46 million for the second quarter of 2010.

Income Taxes

The company record an income tax for Ps. 11 million in the second quarter of 2011 compared to Ps. 33 million of income for income tax for the second quarter of 2010.

Net Income (Loss)

As a result of the foregoing, the Company net income was of Ps. 478 million in the second quarter of 2011 compared to Ps.439 million for the second quarter of 2010.

Note. In accordance with Mexican Financial Reporting Standards (MFRS), from 2011, only allowed the valuation of inventory through the system absorbing cost, and some figures have been adjusted in the income statement of 2010 for purposes of comparisons.

| (million of pesos) | 1H 11 | 1H 10 | Year 11 vs '10 |
|----------------------------|--------|--------|----------------|
| Sales | 13,758 | 12,760 | 8% |
| Cost of Sales | 12,075 | 11,095 | 9% |
| Gross Profit | 1,683 | 1,665 | 1% |
| Operating Expenses | 453 | 638 | -29% |
| Operating Profit | 1,230 | 1,027 | 20% |
| EBITDA | 1,686 | 1,547 | 9% |
| Net income before Minority | 1,073 | 967 | 11% |
| Sales Outside Mexico | 7,575 | 7,129 | 6% |
| Sales in Mexico | 6,183 | 5,631 | 10% |
| Total Sales (Tons) | 1,139 | 1162 | -2% |

| Quarter | | | | | |
|----------------------------|-------|-------|-------|------------------|------------------|
| (millones of pesos) | 2Q 11 | 1Q 11 | 2Q 10 | 2Q '11 vs 1Q '11 | 2Q '11 vs 2Q '10 |
| Sales | 7,193 | 6,565 | 6,367 | 10% | 13% |
| Cost of Sales | 6,393 | 5,682 | 5,704 | 13% | 12% |
| Gross Profit | 800 | 883 | 663 | -9% | 21% |
| Operating Expenses | 171 | 282 | 248 | -39% | -31% |
| Operating Profit | 629 | 601 | 415 | 5% | 52% |
| EBITDA | 855 | 831 | 676 | 3% | 26% |
| Net Income before Minority | 544 | 529 | 388 | 3% | 40% |
| Sales Outside Mexico | 3,897 | 3,678 | 3,749 | 6% | 4% |
| Sales in Mexico | 3,296 | 2,887 | 2,618 | 14% | 26% |

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| | | | | | |
|--------------------|-----|-----|-----|-----|----|
| Total Sales (Tons) | 601 | 538 | 558 | 12% | 8% |
|--------------------|-----|-----|-----|-----|----|

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| Product | Thousand of Tons Jan-Jun 2011 | Million of Pesos Jan-Jun 2011 | Average Price per Ton Jan-Jun 2011 | Thousand of Tons Jan Jun 2010 | Million of Pesos Jan- Jun 2010 | Average Price per Ton Jan-Jun 2010 | | | |
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|--|--|--|
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|--|--|--|

| | | | | | | | | | |
|---------------------|-------|--------|--------|-------|--------|--------|--|--|--|
| Commercial Profiles | 419 | 4,148 | 9,900 | 542 | 4,810 | 8,874 | | | |
| Special Profiles | 720 | 9,610 | 13,347 | 620 | 7,950 | 12,823 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | 1,139 | 13,758 | 12,079 | 1,162 | 12,760 | 10,981 | | | |
| | | | | | | | | | |

| Product | Thousand of Tons Apr-Jun 2011 | Million of Pesos Apr-Jun 2011 | Average Price per Ton Apr-Jun 2011 | Thousand of Tons Jan Mar 2011 | Million of Pesos Jan- Mar 2011 | Average Price per Ton Jan-Mar 2011 | Thousand of Tons Apr-Jun 2010 | Million of Pesos Apr-Jun 2010 | Average Price per Ton Apr-Jun 2010 |
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|----------------------------------|----------------------------------|---------------------------------------|
|---------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|----------------------------------|----------------------------------|---------------------------------------|

| | | | | | | | | | |
|---------------------|-----|-------|--------|-----|-------|--------|-----|-------|--------|
| Commercial Profiles | 222 | 2,163 | 9,746 | 197 | 1,984 | 10,073 | 250 | 2,277 | 9,108 |
| | | | | | | | | | |
| Special Profiles | 379 | 5,029 | 13,269 | 341 | 4,581 | 13,434 | 308 | 4,090 | 13,279 |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | 601 | 7,193 | 11,968 | 538 | 6,565 | 12,203 | 558 | 6,367 | 11,410 |
| | | | | | | | | | |

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: 2 YEAR: 2011

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

FINANCIAL STATEMENT NOTES

CONSOLIDATED

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

Grupo Simec, S.A. 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 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 June 30, 2011 sales of ten customers accounted for approximately 39.6% 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 June 30, 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 June 30, 2011, (included in accrued liabilities) relating to these actions; the reduction of this reserve from previous levels reflects clean-up activities undertaken by Simec. Management believes the ultimate liability with respect to this matter will not exceed the amounts that have been accrued.

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

**MEXICAN STOCK EXCHANGE
SIFIC / ICS**
STOCK EXCHANGE CODE: **SIMEC**QUARTER: 2 YEAR: **2011**

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

RELATIONS OF SHARES INVESTMENTS
CONSOLIDATED

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

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| | | | |
|---|--|--|--------|
| Corporativos G&DL | Administrative services | | 85.00 |
| Procesadora Industrial | Administrative services | | 99.99 |
| Acero Transporte San | Freight services | | 100.00 |
| Simec International 2 | Production and sales of steel products | | 99.99 |
| Simec International 3 | Production and sales of steel products | | 99.99 |
| Simec International 4 | Production and sales of steel products | | 99.99 |
| Simec International 5 | Production and sales of steel products | | 99.99 |
| Simec 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

QUARTER: 2 YEAR: 2011

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

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

CONSOLIDATED

| Credit Type / Institution | Amortization Date | Rate of Interest | Denominated in Pesos (Thousands of Pesos) | | | | | Denominated in Foreign Currency (Thousands of Pesos) | | | | | | |
|---|----------------------|---------------------|---|------------|------------|------------|------------|---|-----------|------------|------------|------------|------------|------------------|
| | | | Time Interval | | | | | Time Interval | | | | | | |
| | | | 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 More | Year | Year | Years | Years | Years | Years or 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 | 3,575 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| TOTAL STOCK EXCHANGE | | | 0 | 0 | 0 | 0 | 0 | 0 | 3,575 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| SUPPLIERS | | | | | | | | | | | | | | |
| Various | | | 600,885 | 0 | 0 | 0 | 0 | 0 | 1,828,289 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLIERS | | | 600,885 | 0 | 0 | 0 | 0 | 0 | 1,828,289 | 0 | 0 | 0 | 0 | 0 |
| OTHER LOANS WITH COST | | 0.25 | | | | | | | 633,838 | | | | | |

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| | | | | | | | | | | | | | | |
|---|--|--|---------|---|---|---|---|---|-----------|---|---|---|---|---|
| TOTAL | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER CURRENT LIABILITIES WITHOUT COST | | | | | | | | | | | | | | |
| Various | | | 122,091 | 0 | 0 | 0 | 0 | 0 | 365,742 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | | 122,091 | 0 | 0 | 0 | 0 | 0 | 365,742 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| TOTAL | | | 722,976 | 0 | 0 | 0 | 0 | 0 | 2,831,444 | 0 | | 0 | 0 | 0 |

NOTES: The exchange rate of the peso to the U.S. Dollar at June 30, 2011 was Ps. 11.8389

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 2 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 | 467,138 | 5,530,397 | 00 | 0 | 5,530,397 |
| | | | | | |
| LIABILITIES POSITION | 243,686 | 2,884,976 | 0 | 0 | 2,884,976 |
| SHORT TERM LIABILITIES POSITION | 239,164 | 2,831,444 | 0 | 0 | 2,831,444 |
| LONG TERM LIABILITIES POSITION | 4,522 | 53,532 | 0 | 0 | 53,532 |
| | | | | | |
| NET BALANCE | 223,452 | 2,645,421 | 0 | 0 | 2,645,421 |

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT JUNE 30, 2011 WAS PS. 11.8389

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 2 YEAR: **2011**

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 3.40 times.
- B) Accomplished the actual situation is 0.31
- C) Accomplished the actual situation is 331.5

As of June 30, 2011, the remaining balance of the MTNs not exchanged amounts to Ps. 3,575 (\$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: 2 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 | 74.70 |
| MEXICALI MINI MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 250 | 59.20 |
| APIZACO AND CHOLULA PLANTS | PRODUCTION AND SALES OF STEEL PRODUCTS | 460 | 90.80 |
| CANTON CASTER FACILITY | PRODUCTION OF BILLET | 1,380 | 74.20 |
| LORAIN CASTER FACILITY | PRODUCTION OF BILLET | 1,150 | 0.00 |
| LORAIN HOT-ROLLING MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 840 | 50.40 |
| LACKAWANNA HOT-ROLLING MILL | PRODUCTION AND SALES OF STEEL PRODUCTS | 600 | 72.30 |
| MASSILLON COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 125 | 60.10 |
| GARY COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 70 | 51.50 |
| ONTARIO COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 60 | 50.30 |
| SAN LUIS POTOSI COLD-FINISH FACILITY | PRODUCTION AND SALES OF STEEL PRODUCTS | 600 | 72.30 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC

QUARTER: 2 YEAR: 2011

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

MAIN RAW MATERIALS

CONSOLIDATED

| DOMESTIC | MAIN SUPPLIERS | FOREIGN | MAIN SUPPLIERS | DOMESTIC SUBSTITUTION | COST PRODUCTION (%) |
|---------------|----------------|------------------|----------------|--------------------------|------------------------|
| PLANTS IN USA | | SCRAP | VARIOUS | NO | 47.15 |
| SCRAP | VARIOUS | PLANTS IN MEXICO | | | 55.94 |
| FERROALLOYS | VARIOUS | PLANTS IN MEXICO | | YES | 6.74 |
| PLANTS IN USA | | FERROALLOYS | VARIOUS | NO | 13.44 |
| ELECTRODES | VARIOUS | PLANTS IN MEXICO | VARIOUS | YES | 1.93 |
| PLANTS IN USA | | ELECTRODES | VARIOUS | NO | 1.99 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC

QUARTER: 2 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 | 467 | 4,524,700 | | |
| SPECIAL PROFILES | 237 | 2,589,616 | | |
| OTHERS | | 79,913 | | |
| | | | | |
| T O T A L | | 7,194,229 | | |
| | | | | |
| FOREIGN SALES | 435 | 6,563,955 | | |
| TOTAL | | 13,758,184 | | |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC

QUARTER: 2 YEAR: 2011

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

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SALES

| MAIN PRODUCTS | NET SELLS | | MAIN | |
|-----------------------------|-----------|------------------|------------|-----------|
| | VOLUME | AMOUNT | TRADEMARKS | CUSTOMERS |
| EXPORTS | | | | |
| COMMERCIAL PROFILES | 83 | 892,693 | | |
| SPECIAL PROFILES | 7 | 70,695 | | |
| OTHERS | 0 | 47,972 | | |
| FOREIGN SUBSIDIARIES | | | | |
| SPECIAL PROFILES | 435 | 6,563,955 | | |
| | | | | |
| T O T A L | | 7,575,315 | | |

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

QUARTER: 2 YEAR: **2011**

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

CONSTRUCTION IN PROGRESS

CONSOLIDATED

THE PROJECTS IN PROGRESS AT JUNE 30, 2011, ARE:

| PROJECTS IN PROGRESS | TOTAL INVESTMENT |
|--|------------------|
| PROJECTS IN REPUBLIC | 70,313 |
| PROJECTS IN MEXICALI | 4,867 |
| PROJECTS IN TLAXCALA | 337,343 |
| PROJECTS IN GUADALAJARA | 9,678 |
| PROJECTS IN SAN LUIS POTOSI | 4,036 |
| TOTAL INVESTMENT AT JUNE 30, 2011 | 426,237 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC

QUARTER: 2 YEAR: 2011

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

**TRANSACTIONS IN FOREIGN CURRENCY AND CONVERSION OF FINANCIAL STATEMENTS OF
FOREIGN OPERATIONS
INFORMATION RELATED TO BULLETIN B-15**

CONSOLIDATED

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

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

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

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC

QUARTER: 2 YEAR: 2011

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 | | | | 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: SIMEC

QUARTER: 2 YEAR: 2011

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

CONSOLIDATED

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

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

**ING LUIS GARCIA LIMON
CHIEF EXECUTIVE OFFICER**

**C.P. ADOLFO LUNA LUNA
CHIEF FINANCIAL OFFICER**

GUADALAJARA, JAL, AT JUL 27 OF 2011.
