

GROUP SIMEC SA DE CV  
Form 6-K  
October 24, 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 Sep , 2011.

Group Simec, Inc.

(Translation of Registrant's Name Into English)

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

(Address of principal executive office)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No

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

SIGNATURE

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

**GRUPO SIMEC, S.A.B. de C.V.**  
(Registrant)

Date: Oct 24, 2011. By: /s/ Luis García Limón  
Name: Luis García Limón  
Title: Chief Executive Officer

GUADALAJARA, MEXICO, October 24, 2010- Grupo Simec, S.A.B. de C.V. (AMEX: SIM) ("Simec") announced today its results of operations for the nine-month period ended September 30, 2011.

Nine-Month Period Ended September 30, 2011 compared to September-Month Period Ended September 30, 2010.

#### *Net Sales*

Net sales increased 13% to Ps. 21,434 million in the nine-month period ended September 30, 2011 compared to Ps. 18,942 million in the same period of 2010. Shipments of finished steel products increased 1% to 1,731 thousand tons in the nine-month period ended September 30, 2011 compared to 1,719 thousand tons in the same period of 2010. Total sales outside of Mexico in the nine-month period ended September 30, 2011 increased 9% to Ps. 11,696 million, compared with Ps. 10,683 million in the same period of 2010, while total sales in Mexico increased 18% from Ps. 8,259 million in the nine-month period ended September 30, 2010 to Ps. 9,738 millions in the same period of 2011. The increase in sales is due to an increase shipments during the nine-month period ended September 30, 2011, compared to the same period in 2010 (12, thousand tons). The average price of steel products increased 12% in the nine-month period ended September 30, 2011 compared with the same period of 2010.

#### *Cost of Sales*

Cost of sales increased 11% from Ps. 16,876 million in the nine-month period ended September 30, 2010 to Ps. 18,863 million in the same period of 2011. Cost of sales as a percentage of net sales represented 88% in the nine-month period ended September 30, 2011 compared to 89% in the same period of the previous year. The average cost of raw materials used to produce steel products increased 11% in the nine-month period ended September 30, 2011 versus the same period of 2010, primarily as a result of increase in volume and better blend of steel shipment.

#### *Marginal Profit*

Marginal profit in the nine-month period ended September 30, 2011 was Ps. 2,571 million compared to Ps. 2,066 million in the same period of 2010 an increase of 24% between both periods. Marginal profit as a percentage of net sales in the nine-month period ended September 30, 2011 was 12% compared to 11% in the same period of 2010. The increase in marginal profit is due to a better blend of shipments and increase in the average sales price per ton in the nine-month period ended September 30, 2011 compared with the same period of 2010.

#### *Operating Expenses*

Selling, general and administrative expenses increased 24% to Ps. 694 million in the nine-month period ended September 30, 2011 compared to Ps. 919 million in the same period of 2010, and represented 3% of net sales in the nine-month period ended September 2011 and 5% of net sales in the same period of 2010.

### *Operating Income*

Operating income increased 64% to Ps. 1,877 million for the nine-month period ended September 30, 2011 compared to Ps. 1,147 million in the same period of 2010. Operating income as a percentage of net sales was 9% in the nine-month period ended September 30, 2011 compared to 6% in the same period of 2010. The increase in operating income is due to an increase in shipments, better blend of steel shipments, increase in the average sales price, and reduction in selling, general and administrative expenses during the nine-month period ended September 30, 2011 compared with the same period of 2010.

### *EBITDA*

*The EBITDA of the Company increased 36% from Ps.1,927 million in the third quarter of 2010, to Ps 2,626 million in the third quarter of 2011, these is due to improve in the average sales price and reduction of the selling, general and administrative expense.*

*Comprehensive Financial Cost*

Comprehensive financial cost in the nine-month period ended September 30, 2011 represented an income of Ps. 324 million compared with an expense of Ps. 88 million in the same period of 2010. Net interest income was Ps. 7 million in the nine-month period ended September 30, 2011, compared with a net interest expense of Ps. 2 million in the same period of 2010. At the same time, we registered an exchange gain net of Ps. 316 million in the nine-month period ended September 30, 2011 compared with an exchange loss of Ps. 86 million in the same period of 2010, reflecting a 9% of decrease in the value of the peso versus the dollar in the nine-month period ended September 30, 2011.

*Other Expenses (Income) net*

The company recorded other net income of Ps. 22 million in the nine-month period ended September 30, 2011, compared to other expenses net of Ps. 42 million in the same period of 2010.

*Income Taxes*

Income Taxes recorded an expense of Ps. 445 million in the nine-month period ended September 30, 2011 (including the expense of deferred income tax of Ps. 347 million) compared to Ps. 45 million of expense in the same period of 2010 (including the income of Ps. 19 million of deferred income taxes).

*Net Income (After Non-controlling Interest)*

As a result of the foregoing, net income increased by 48% from Ps. 1,116 million in the nine months ended September 30, of 2010 compared to Ps. 1,646 million in the nine-month period ended September 30, 2011.

*Liquidity and Capital Resources*

As of September 30, 2011, Simec's total consolidated debt consisted of U.S. \$302,000 or Ps. 4.0 million of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on September 30, 2011 was U.S. \$466, thousand dollars, or Ps. 6.2 million). As of December 31, 2010, Simec's total consolidated debt consisted of U.S. \$302,000 or Ps 3.7 million of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2010 was U.S. \$445 thousand dollars, or Ps.5.5 million).

Comparative third quarter 2011 vs second quarter 2011

*Net Sales*

Net sales increased 7% from Ps. 7,193 million in the second quarter of 2011 to Ps. 7,676 million for the third quarter of 2011. Sales in tons are similar in both quarter, finished steel in third quarter were 592 thousand tons in the third quarter of 2011 versus 601 thousand tons in the second quarter of the same period. Total sales outside of Mexico for the third quarter of 2011 increased 6% from Ps. 3,897 million in the second quarter to Ps. 4,120 million in the third quarter of the same 2011. Total sales in Mexico in the third quarter of 2011 amounted to Ps. 3,556 million compared Ps. 3,296 million in the second quarter of 2011. Price of finished products sold increased 8% in the third quarter of 2011 compared to the second quarter of same period.

*Cost of Sales*

Cost of sales was of Ps. 6,789 million in the third quarter of 2011, compared to Ps. 6,392 million in the second quarter of 2011. With respect to sales, in the third quarter of 2011, the cost of sales represents 88% compared to 89% for the second quarter of 2011. The average cost of raw materials used to produce steel products increased 8% in the third quarter of 2011 versus the second quarter of 2011, primarily as a result of increases in the price of scrap and certain other raw materials as well as mayor sales in the foreign than México.

*Marginal Profit*

Marginal profit of the Company for the third quarter of 2011 increased 11% from Ps. 800 million in the second quarter to Ps. 887 million in the third quarter of 2011. The marginal profit as a percentage of net sales for the third quarter of 2011 was 12% compared with 11% for the second quarter of 2011. The increase in marginal profit is due to the increase in the average sales price, as volume shipment was minor in 9 thousand tons in the third quarter compared with the second quarter of 2011.

*Operating Expenses*

Selling, general and administrative expenses increased 41% to Ps. 241 million in the third quarter of 2011 compared to Ps. 171 million for the second quarter of 2011. Selling, general and administrative expenses as a percentage of net sales represented 3% during the third quarter of 2011 and 2% during the second quarter of 2011.

*Operating Income*

Operating income in the third quarter of 2011 was of Ps. 647 million compared to operating income of Ps. 629 million in the second quarter of the same period. The operating income as a percentage of net sales in the third quarter of 2011 was 8% compared to 9% in the second quarter of 2011. The increase in operating income is due to a better in the average sales price.

*Ebitda*

The ebitda increased 10% from Ps 855 million in the second quarter of 2011 to Ps 940 million in the third quarter of the same for the reason before explained

*Comprehensive Financial Income (Cost)*

Comprehensive financial cost of the Company in the third quarter of 2011 was an income of Ps. 495 million compared with an expense of Ps. 87 million for the second quarter of the same period. The net interest income in the third quarter of 2011 was of Ps. 3 million while in the second quarter was an income of Ps 3 million. At the same time we registered an exchange gain of Ps. 492 million in the third quarter of 2011 compared with an exchange loss of Ps. 90 million in the second quarter of 2011.

*Other Expenses (Income) net*

The company recorded other net income of Ps. 30 million in the third quarter of 2011, compared to other net expense of Ps. 9 million for the second quarter of 2011.



*Income Taxes*

The Company recorded an income taxes of Ps. 468 million in the third quarter of 2011 (including an income deferred tax of Ps. 386 million) compared to Ps. 11 million of income for the second quarter of 2011, (including an income tax deferred income of Ps. 6 million).

*Net Income (After Non-Controlling Interest)*

As a result of the foregoing, net income was Ps. 685 million in the third quarter of 2011 compared to Ps. 478 million of net income in the second quarter of 2011.

Comparative third quarter 2011 vs third quarter 2010

*Net Sales*

Net sales increased 24% from Ps. 6,182 million for the third quarter of 2010 to Ps. 7,676 million for the third quarter of 2011. Sales in tons of finished steel in the third quarter of 2010 were 557 thousand tons versus to 592 thousand tons in the third quarter of 2011. Total sales outside of Mexico for the third quarter of 2011, increased 16% from Ps. 3,556 in the third quarter of 2010 to Ps. 4,120 million in the third quarter of 2011. Total sales in Mexico increased 35% from Ps. 2,628 million in the third quarter of 2010 to Ps. 3,556 million in the third quarter of 2011. Average price of finished products sold increased approximately 17% in the third quarter of 2011 compared to the third quarter of 2010.

### *Cost of Sales*

Cost of sales increased 19% from Ps. 5,721 million in the third quarter of 2010 to Ps. 6,789 million for the third quarter of 2011. With respect to sales, in the third quarter of 2010, the cost of sales represented 93% compared to 88% for the third quarter of 2011. The average cost of sales increase 12% comparing the third quarter of 2011 versus the third quarter of 2010, due to mayor shipment of goods and special bar qualities (SBQ).

### *Marginal Profit*

Marginal profit of the Company for the third quarter of 2011 increased 93% from Ps. 461 million in the third quarter of 2010 compared to Ps. 887 million of the same period of 2011. The marginal profit as a percentage of net sales for the third quarter of 2011 was 12% compared with 7% for the third quarter of 2010. The increase in marginal profit is due to a better blend of steel shipments, volume and increase in the average sales price.

### *Operating Expenses*

Selling, general and administrative decreased 18% to Ps. 241 million in the third quarter of 2011 compared to Ps. 294 million for the third quarter of 2010. Selling, general and administrative expense as a percentage of net sales represented 3% during the third quarter of 2011 and 5% during the third quarter of 2010.

### *Operating Income*

Operating income increased 288% from Ps. 167 million in the third quarter of 2010 to Ps. 647 million in the third quarter of 2011. The operating income as a percentage of net sales in the third quarter of 2011 was 8% compared to 3% in the third quarter of 2010. The increase in operating income is due to increases in volume of shipment, average sales price and better blend of sales shipments and reduction of the selling, general and administrative expense.

### *Ebitda*

The ebitda of the company increased 120% from Ps. 427 million in the third quarter of 2010 to Ps 940 million in the third quarter of 2011 for the above explained.

### *Comprehensive Financial Income (Cost)*

Comprehensive financial cost of the Company in the third quarter of 2011 was an income of Ps. 495 million compared with an expense of Ps 50 million in the third quarter of 2010. Net interest income was Ps. 4 million in the third quarter of 2010 compared with Ps. 3 million of net interest income in the third quarter of 2011. At the same time we registered an exchange loss of Ps. 45 million in the third quarter of 2010 compared with an exchange gain of Ps. 492 million in the third quarter of 2011.

*Other Expenses (Income) net*

The Company recorded other net income of Ps. 30 million in the third quarter of 2011, compared with other expense net of Ps. 6 million for the third quarter of 2010.

*Income Taxes*

The Company recorded an expense of income tax of Ps. 468 million during the third quarter of 2011 (including a provision of deferred income tax of Ps 386 million), compared to Ps. 58 million of expense for the third quarter of 2010, (including a provision of deferred income tax of Ps. 27 million).

*Net Income (After Non- Controlling Interest)*

As a result of the foregoing the Company recorded a net income of Ps. 685 million in the third quarter of 2011 compared to Ps. 153 million of net income in the third quarter of 2010.

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Millions of pesos	2011		vs.
	Nine months ended September 30, 2011	Nine months ended September 30, 2010	
			2010
Sales	21,434	18,942	13%
Cost of Sales	18,863	16,876	12%
Marginal Profit	2,571	2,066	24%
Operating Expenses	694	919	(24%)
Operating Income	1,877	1,147	64%
EBITDA	2,626	1,927	36%
Income before Non-Controlling Interest	1,777	972	83%
Sales outside Mexico	11,696	10,683	9%
Sales in México	9,738	8,259	18%
Total sales (tons)	1,731	1,719	1%

(Millions of pesos)	3Q '11	2Q '11	3Q '10	3Q'11 vs 2Q'11	3Q'11 vs 3Q'10
Sales	7,676	7,193	6,182	7%	24%
Cost of Sales	6,789	6,392	5,721	6%	19%
Marginal Profit	887	800	461	11%	93%
Operating Expenses	241	171	294	41%	(18%)
Operating Income	647	629	167	3%	288%
EBITDA	940	855	427	10%	120%
Income before Non. Controlling Interest	704	544	52	29%	1,245%
Sales outside Mexico	4,120	3,897	3,553	6%	16%
Sales in México	3,556	3,296	2,628	8%	35%
Total sales (tons)	592	601	557	(1%)	6%

Product	Thousands of tons nine months ended September 30, 2011	Million of pesos nine months ended September 30, 2011	Average price per ton nine months ended September 30, 2011	Thousands of tons nine months ended September 30, 2010	Million of pesos nine months ended September 30, 2010	Average price per ton nine months ended September 30, 2010
SBQ	1,062	14,648	13,793	926	12,006	12,965
Light Structural	669	6,786	10,143	793	6,936	8,746
Total	1,731	21,434	12,385	1,719	18,942	11,019

Product	Thousands of tons 3Q '11	Millions of pesos 3Q'11	Average price per ton 3Q'11	Thousands of tons 2Q '11	Millions of pesos 2Q'11	Average price per ton 2Q'11	Thousands of tons 3Q'10	Millions of pesos 3Q'10	Average price per ton 3Q'10
SBQ	344	5,038	14,645	379	5,029	13,269	273	3,656	13,392

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Light Structural	248	2,638	10,637	222	2,164	9,748	284	2,526	8,894
Total	592	7,676	12,966	601	7,193	11,968	557	6,182	11,099

*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: 3 YEAR: **2011**  
GRUPO SIMEC, S.A.B. DE C.V.

**CONSOLIDATED FINANCIAL STATEMENT**

AT SEPTEMBER 30 OF 2011 AND 2010

(thousands of Mexican pesos)

REF	CONCEPTS	CURRENT	PREVIOUS
S		YEAR	YEAR
		AMOUNT %	AMOUNT %
s01	TOTAL ASSETS	30,099,948 100	27,250,075 100
s02	CURRENT ASSETS	15,028,149 50	13,430,476 49
s03	CASH AND SHORT-TERM INVESTMENTS	5,344,999 18	3,284,504 12
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	3,684,346 12	3,242,164 12
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	541,366 2	677,003 2
s06	INVENTORIES	5,356,121 18	6,065,299 22
s07	OTHER CURRENT ASSETS	101,317 0	161,506 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)	9,446,803 31	9,478,933 35
s13	LAND AND BULIDINGS	4,134,115 14	3,813,986 14
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	13,756,255 46	12,990,604 48
s15	OTHER EQUIPMENT	249,928 1	235,095 1
s16	ACCUMULATED DEPRECIATION	8,790,168 29	8,004,153 29
s17	CONSTRUCTION IN PROGRESS	96,673 0	443,401 2
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	3,876,924 13	4,199,169 15
s19	OTHER ASSETS	1,748,072 6	141,497 1
s20	TOTAL LIABILITIES	7,537,966 100	6,393,228 100
s21	CURRENT LIABILITIES	4,308,252 57	3,599,500 56
s22	SUPPLIERS	2,652,619 35	2,037,271 32

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s23 BANK LOANS	0	0	0	0
s24 STOCK MARKET LOANS	4,053	0	3,775	0
s103 OTHER LOANS WITH COST	678,123	9	616,609	10
s25 TAXES PAYABLE	410,488	5	256,646	4
s26 OTHER CURRENT LIABILITIES WITHOUT COST	562,969	7	685,199	11
s27 LONG-TERM LIABILITIES	0	0	0	0
s28 BANK LOANS	0	0	0	0
s29 STOCK MARKET LOANS	0	0	0	0
s30 OTHER LOANS WITH COST	0	0	0	0
s31 DEFERRED LIABILITIES	0	0	0	0
s32 OTHER NON-CURRENT LIABILITIES WITHOUT COST	3,229,714	43	2,793,728	44
s33 CONSOLIDATED STOCKHOLDERS' EQUITY	22,561,982	100	20,856,847	100
s34 MINORITY INTEREST	2,069,274	9	1,997,897	10
s35 MAJORITY INTEREST	20,492,708	91	18,858,950	90
s36 CONTRIBUTED CAPITAL	8,350,900	37	8,350,900	40
S79 CAPITAL STOCK	4,142,696	18	4,142,696	20
s39 PREMIUM ON ISSUANCE OF SHARES	4,208,204	19	4,208,204	20
s40 CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
s41 EARNED CAPITAL	12,141,808	54	10,508,050	50
s42 RETAINED EARNINGS AND CAPITAL RESERVES	11,625,302	52	10,144,448	49
s44 OTHER ACCUMULATED COMPREHENSIVE RESULT	516,506	2	363,602	2
s80 SHARES REPURCHASED	0	0	0	0

**MEXICAN STOCK EXCHANGE**

**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 3 YEAR: **2011**  
GRUPO SIMEC, S.A.B. DE C.V.

**CONSOLIDATED FINANCIAL STATEMENT**

**BREAKDOWN OF MAIN CONCEPTS**

(thousands of Mexican pesos)