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GROUP SIMEC SA DE CV
Form 6-K
May 05, 2009

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

FORM 6-K

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

COMMISSION FILE NUMBER 1-11176

For the month of May, 2009.

Group Simec, Inc.

(Translation of Registrant's Name Into English)

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

(Address of principal executive office)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

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

SIGNATURE

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

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

(Registrant)

Date: May 4, 2009.

By: /s/ Luis Garcia Limon

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(including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,059 million) compared to Ps. 7,287 million in the same period 2008.

Shipments of finished steel products decreased 32% to 506 thousand tons in the first quarter 2009 (including the net sales generated by the newly acquired plants of Grupo San of 135 thousand tons) compared to 745 thousand tons in the same period 2008. Total sales outside of Mexico in the first quarter 2009 decreased 59% to Ps. 2,222 million compared with Ps. 5,423 million in the same period 2008, while total Mexican sales increased 53% from Ps. 1,865 million in the first quarter 2008 to Ps. 2,859 millions in the same period 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,053 million). The decrease in sales can be explained due to lower shipments during the first quarter 2009, compared to the same period in 2008 (a 239,000 tons decrease). The average price of steel products increased 2.6% in the first quarter 2009 compared with the same period of 2008.

Direct Cost of Sales

Direct cost of sales decreased 32% from Ps. 6,050 million in the first quarter 2008 to Ps. 4,111 million in the same period 2009 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 657 million). Direct cost of sales as a percentage of net sales represented 81% in the first quarter 2009 compared to 83% in the same period 2008. The average cost of raw materials used to produce steel products in the first quarter of 2009 was the same compared to the corresponding period of 2008.

Gross Profit

Gross profit in the first quarter 2009 was Ps. 970 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 402 million) compared to Ps. 1,237 million in the same period 2008. Gross profit as a percentage of net sales in the first quarter 2009 was 19% compared to 17% in the same period 2008. The decline in gross profit is due to lower shipments of 32% during the first quarter 2009 compared with the same period of 2008.

Operating Expenses

Operating expenses increased 63% to Ps. 585 million in the first quarter 2009 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 114 million and the amortization of the tangible and intangible assets of Ps. 90 million registered by the acquisition of Grupo San) compared to Ps. 359 million in the same period 2008, and represented 12% of net sales in the first quarter 2009 and 5% of net sales in the same period 2008.

Operating Profit

Operating profit decreased 56% to Ps. 385 million for the first quarter 2009 (including the operating profit generated by the newly acquired plants of Grupo San of Ps. 289 million) compared to Ps. 878 million in the same period 2008. Operating profit as a percentage of net sales was 8% in the first quarter 2009 compared to 12% in the same period 2008. The decline in operating profit is due to lower shipments of 32% during the first quarter 2009 compared with the same period of 2008.

Comprehensive Financial Cost

Comprehensive financial cost in the first quarter 2009 represented an income of Ps. 60 million compared with an expense of Ps. 62 million in the same period 2008. Net interest expense was Ps. 3 million in the first quarter 2009 compared with a gain of Ps. 55 million in the same period 2008. At the same time, we

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registered an exchange gain of Ps. 63 million in the first quarter 2009 compared with an exchange loss of Ps. 117 million in the same period 2008, reflecting a 5.9% decrease in the value of the peso versus the dollar in the first quarter 2009 compared to the same period of 2008.

Other Expenses (Income) net

The company recorded other income net of Ps. 2 million in the first quarter 2009 compared to other income net of Ps. 6 million in the same period 2008.

Income Taxes

Income Taxes recorded a provision of Ps. 7 million in the first quarter 2009 (including the provision of Ps. 167 million of deferred income taxes) compared to Ps. 230 million in the same period of 2008 (including the provision of Ps. 110 million of deferred income taxes).

Net Profit

As a result of the foregoing, net profit decreased by 26% to Ps. 440 million in the first quarter 2009 from Ps. 592 million in the same period 2008.

Liquidity and Capital Resources

As of March 31, 2009, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on March 31, 2009 was U.S. \$395,099). As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882).

Comparative first quarter 2009 vs fourth quarter 2008

Net Sales

Net sales decreased 33% from Ps. 7,618 million for the fourth quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 945 million) to Ps. 5,081 million for the first quarter 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,059 million). Sales in tons of finished steel decreased 11% to 506 thousand tons in the first quarter 2009 compared with 567 thousand tons in the fourth quarter 2008. The total sales outside of Mexico for the first quarter 2009 decreased 55% to Ps. 2,222 million compared with Ps. 4,983 million for the fourth quarter 2008. Total Mexican sales increased 9% to 2,859 million in the first quarter 2009 from Ps. 2,635 million in the fourth quarter 2008. Prices of finished products sold in the first quarter 2009 decreased approximately 25% compared to the fourth quarter 2008.

Direct Cost of Sales

Direct cost of sales decreased 44% from Ps. 7,327 million in the fourth quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 473 million) to Ps. 4,111 million for the first quarter 2009 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 657 million). With respect to sales, in the first quarter 2009, the direct cost of sales represents 81% compared to 96% for the fourth quarter 2008. The average cost of raw materials used to produce steel products decreased 37% in the first quarter 2009 versus the fourth quarter 2008, primarily as a result of decreases in the price of scrap and certain other raw materials.

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Gross Profit

Gross profit for the first quarter 2009 increased 233% to Ps. 970 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 402 million) compared to Ps. 291 million in the fourth quarter 2008 (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 472 million). The gross profit as a percentage of net sales for the first quarter 2009 was 19% compared with 4% for the fourth quarter of 2008. The increase in gross profit is due to the decrease in the cost of raw materials used to produce steel products.

Operating Expenses

Operating expenses decreased 36% to Ps. 585 million in the first quarter 2009 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 114 million and the amortization of the tangible and intangible assets of Ps. 90 million registered by the acquisition of Grupo San) compared to Ps. 916 million for the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 232 million and the amortization of

the tangible and intangible assets of Ps. 277 million registered by the acquisition of Grupo San). Operating expenses as a percentage of net sales represented 12% during the first quarter 2009 and the fourth quarter 2008.

Operating Profit

Operating profit increased 1,616% from an operating loss of Ps. 625 million in the fourth quarter 2008 (including the operating profit generated by the newly acquired plants of Grupo San of Ps. 232 million) to Ps. 385 million of operating profit for the first quarter 2009 (including the operating profit generated by the newly acquired plants of Grupo San of Ps. 289 million). The operating profit as a percentage of net sales in the first quarter 2009 was 8% compared to 8% in the fourth quarter 2008. The increase in operating profit is due to the decrease in the cost of raw materials used to produce steel products and the decrease in the operating expenses previously mentioned.

Comprehensive Financial Cost

Comprehensive financial cost for the first quarter 2009 represented an income of Ps. 60 million compared with an income of Ps. 59 million for the fourth quarter 2008. Net interest expense was Ps. 3 million in the first quarter 2009 compared with Ps. 2 million of net interest expense in the fourth quarter 2008. At the same time we registered an exchange gain of Ps. 63 million in the first quarter 2009 compared with an exchange gain of Ps. 61 million in the fourth quarter 2008.

Other Expenses (Income) net

The company recorded other income net of Ps. 2 million in the first quarter 2009 compared with other expense net of Ps. 56 million for the fourth quarter 2008.

Income Taxes

Income Taxes for the first quarter 2009 was an expense of Ps. 7 million compared to Ps. 171 million of income for the fourth quarter 2008.

Net Profit

As a result of the foregoing, net profit was Ps. 440 million in the first

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quarter 2009 compared to Ps. 451 million of net loss in the fourth quarter 2008.

(Millions of pesos)	1Q '09	4Q '08	1Q '08	1Q '09 vs 4Q '08	1Q '09vs 1Q '08
Sales	5,081	7,618	7,287	-33%	-30%
Cost of Sales	4,111	7,327	6,050	-44%	-32%
Gross Profit	970	291	1,238	233%	-22%
Operating Expenses	585	916	359	-36%	63%
Operating Profit	385	(625)	878	1,616%	-56%
EBITDA	660	(188)	1,008	-451%	-35%
Net Profit	440	(451)	592	-198%	-26%
Sales outside Mexico	2,222	4,983	5,423	-55%	-59%
Sales in Mexico	2,859	2,635	1,865	9%	53%
Total sales (tons)	506	567	745	11%	-32%

Product	Thousands of tons 1Q '09	Millions of pesos 1Q'09	Average price per ton 1Q'09	Thousands of tons 4Q'08	Millions of pesos 4Q'08	Average price per ton 4Q'08
SBQ	215	2,621	12,191	335	5,435	16,224
Light Structural	47	464	9,872	30	339	11,302
Structural	50	507	10,140	33	371	11,243
Rebar	163	1,241	7,613	146	1,210	8,287
Others	31	248	-	23	263	-
Total	506	5,081	10,042	567	7,618	13,435

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

CONSOLIDATED FINANCIAL STATEMENT AT MARCH 31 OF 2009 AND 2008 (thousands of Mexican pesos)

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s01	TOTAL ASSETS	31,722,335	100
s02	CURRENT ASSETS	14,017,052	44
s03	CASH AND SHORT-TERM INVESTMENTS	922,014	3
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	3,244,705	10
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	828,807	3
s06	INVENTORIES	8,672,727	27
s07	OTHER CURRENT ASSETS	348,799	1
s08	LONG-TERM	0	0
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
s11	OTHER INVESTMENTS	0	0
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	10,338,885	33
s13	LAND AND BUILDINGS	3,751,091	12
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	12,955,284	41
s15	OTHER EQUIPMENT	231,082	1
s16	ACCUMULATED DEPRECIATION	7,066,745	22
s17	CONSTRUCTION IN PROGRESS	468,173	1
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,244,175	23
s19	OTHER ASSETS	122,223	0
s20	TOTAL LIABILITIES	9,649,026	100

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s21	CURRENT LIABILITIES	5,219,041	54
s22	SUPPLIERS	3,090,763	32
s23	BANK LOANS	9,316	0
s24	STOCK MARKET LOANS	4,295	0
s103	OTHER LOANS WITH COST	0	0
s25	TAXES PAYABLE	341,726	4
s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,772,941	18
s27	LONG-TERM LIABILITIES	0	0
s28	BANK LOANS	0	0
s29	STOCK MARKET LOANS	0	0
s30	OTHER LOANS WITH COST	0	0
s31	DEFERRED LIABILITIES	0	0
s32	OTHER NON-CURRENT LIABILITIES WITHOUT COST	4,429,985	46
s33	CONSOLIDATED STOCKHOLDERS' EQUITY	22,073,309	100
s34	MINORITY INTEREST	3,202,784	15
s35	MAJORITY INTEREST	18,870,525	85
s36	CONTRIBUTED CAPITAL	8,350,900	38
S79	CAPITAL STOCK	4,142,696	19
s39	PREMIUM ON ISSUANCE OF SHARES	4,208,204	19
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
s41	EARNED CAPITAL	10,519,625	48
s42	RETAINED EARNINGS AND CAPITAL RESERVES	10,052,853	46
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	466,772	2
s80	SHARES REPURCHASED	0	0

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC

QUARTER: 1 YEAR: 2009

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

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

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s03	CASH AND SHORT-TERM INVESTMENTS	922,014	100
s46	CASH	664,976	72
s47	SHORT-TERM INVESTMENTS	257,038	28
s07	OTHER CURRENT ASSETS	348,799	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s82	DISCONTINUED OPERATIONS	0	0
s83	OTHER	348,799	100
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,244,175	100
s48	DEFERRED EXPENSES	3,050,094	42
s49	GOODWILL	4,166,160	58
s51	OTHER	27,921	0
s19	OTHER ASSETS	122,223	100
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	0	0
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s50	DEFERRED TAXES	0	0
s86	DISCONTINUED OPERATIONS	0	0
s87	OTHER	122,223	100
s21	CURRENT LIABILITIES	5,219,041	100
s52	FOREIGN CURRENCY LIABILITIES	2,853,313	55
s53	MEXICAN PESOS LIABILITIES	2,365,728	45

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s26	OTHER CURRENT LIABILITIES WITHOUT COST	1,772,941	100
s88	DERIVATIVE FINANCIAL INSTRUMENTS	445,808	25
s89	INTEREST LIABILITIES	5,917	0
s68	PROVISIONS	0	0
s90	DISCONTINUED OPERATIONS	0	0
s58	OTHER CURRENT LIABILITIES	1,321,216	75
s27	LONG-TERM LIABILITIES	0	0
s59	FOREIGN CURRENCY LIABILITIES	0	0
s60	MEXICAN PESOS LIABILITIES	0	0
s31	DEFERRED LIABILITIES	0	0
s65	NEGATIVE GOODWILL	0	0
s67	OTHER	0	0
s32	OTHER NON CURRENT LIABILITIES WITHOUT COST	4,429,985	100
s66	DEFERRED TAXES	4,359,169	98
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	31,484	1
s92	DISCONTINUED OPERATIONS	0	0
s69	OTHER LIABILITIES	39,332	1
s79	CAPITAL STOCK	4,142,696	100
s37	CAPITAL STOCK (NOMINAL)	2,420,230	58
s69	RESTATEMENT OF CAPITAL STOCK	1,722,466	42

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

QUARTER: 1 YEAR: 2009

CONSOLIDATED FINANCIAL STATEMENT

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BREAKDOWN OF MAIN CONCEPTS
(thousands of Mexican pesos)

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s42	RETAINED EARNINGS AND CAPITAL RESERVES	10,052,853	100
s93	LEGAL RESERVE	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	200,612	2
s94	OTHER RESERVES	0	0
s95	RETAINED EARNINGS	9,307,346	93
s45	NET INCOME FOR THE YEAR	544,895	5
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	466,772	100
s70	ACCUMULATED MONETARY RESULT	0	0
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	0	0
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	787,753	169
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	(320,981)	(69)
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	0	0
s99	LABOR OBLIGATION ADJUSTMENT	0	0
s100	OTHER	0	0

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BALANCE SHEETS
OTHER CONCEPTS
(thousands of Mexican pesos)

REF S	CONCEPTS	CURRENT YEAR
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		AMOUNT
S72	WORKING CAPITAL	8,798,011
S73	PENSIONS FUND AND SENIORITY PREMIUMS	0
S74	EXECUTIVES (*)	60
S75	EMPLOYERS (*)	1,687
S76	WORKERS (*)	2,517
S77	COMMON SHARES (*)	497,709,214
S78	REPURCHASED SHARES (*)	0
S101	RESTRICTED CASH	0
S102	NET DEBT OF NON CONSOLIDATED COMPANIES	286,634

(*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

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

QUARTER: 1 YEAR: 2009

STATEMENTS OF INCOME
FROM JANUARY 1 TO MARCH 31 OF 2009 AND 2008
(thousands of Mexican pesos)

REF R	CATEGORIES	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	5,080,641	100
r02	COST OF SALES	4,110,730	81
r03	GROSS PROFIT	969,911	19
r04	OPERATING EXPENSES	585,282	12
r05	OPERATING INCOME	384,629	8
r08	OTHER INCOME AND (EXPENSE), NET	1,852	0
r06	COMPREHENSIVE FINANCING RESULT	59,925	1
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0

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r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	446,406	9
r10	INCOME TAXES	6,734	0
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	439,672	9
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	439,672	9
r19	NET INCOME OF MINORITY INTEREST	(105,223)	(2)
r20	NET INCOME OF MAJORITY INTEREST	544,895	11

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QUARTER: 1 YEAR: 2009

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

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	5,080,641	100
r21	DOMESTIC	2,859,092	56
r22	FOREIGN	2,221,549	44
r23	TRANSLATED INTO DOLLARS (***)	153,510	
r08	OTHER INCOME AND (EXPENSE), NET	1,852	100
r49	OTHER INCOME AND (EXPENSE), NET	1,852	100
r34	EMPLOYEES' PROFIT SHARING EXPENSES	0	0
r35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0
r06	COMPREHENSIVE FINANCING RESULT	59,925	100

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r24	INTEREST EXPENSE	13,478	22
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
r45	OTHER FINANCE COSTS	0	0
r26	INTEREST INCOME	9,795	16
r46	OTHER FINANCIAL PRODUCTS	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	63,608	106
r28	RESULT FROM MONETARY POSITION	0	0
r10	INCOME TAXES	6,734	100
r32	INCOME TAX	(160,109)	(2378)
r33	DEFERRED INCOME TAX	166,843	2478

(***) THOUSANDS OF DOLLARS

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QUARTER: 1 YEAR: 2009

STATEMENTS OF INCOME
OTHER CONCEPTS
(thousands of Mexican pesos)

REF	CONCEPTS	CURRENT YEAR
R		AMOUNT
r36	TOTAL SALES	5,233,819
r37	TAX RESULT FOR THE YEAR	0
r38	NET SALES (**)	32,977,894
r39	OPERATION INCOME (**)	2,621,628
r40	NET INCOME OF MAJORITY INTEREST (**)	1,868,159
r41	NET CONSOLIDATED INCOME (**)	1,748,131
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	274,917

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(**) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

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QUARTER: 1 YEAR: 2009

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FROM JANUARY 1 TO MARCH 31 OF 2009 AND 2008
(thousands of pesos)

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
c01	CONSOLIDATED NET INCOME	439,672
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	441,760
c03	RESOURCES FROM NET INCOME FOR THE YEAR	881,432
c04	RESOURCES PROVIDED OR USED IN OPERATION	(469,984)
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	411,448
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	0
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	0
c08	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	0
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(66,175)
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	345,273
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	576,741
c12	CASH AND SHORT TERM INVESTMENTS AT THE END OF PERIOD	922,014

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QUARTER: 1 YEAR: 2009

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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BREAKDOWN OF MAIN CONCEPTS (thousands of pesos)

REF C	CONCEPTS	CURRENT YEAR AMOUNT
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	441,760
c13	DEPRECIATION AND AMORTIZATION FOR THE YEAR	274,917
c41	+ (-) OTHER ITEMS	166,843
c04	RESOURCES PROVIDED OR USED IN OPERATION	(469,984)
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(291,139)
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	572,509
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	(408,381)
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	(485,559)
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	142,586
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	0
c23	+ BANK FINANCING	0
c24	+ STOCK MARKET FINANCING	0
c25	+ DIVIDEND RECEIVED	0
c26	OTHER FINANCING	0
c27	BANK FINANCING AMORTIZATION	0
c28	(-) STOCK MARKET FINANCING AMORTIZATION	0
c29	(-) OTHER FINANCING AMORTIZATION	0
c42	+ (-) OTHER ITEMS	0
C07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	0
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	0
c31	(-) DIVIDENDS PAID	0
c32	+ PREMIUM ON ISSUANCE OF SHARES	0

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c33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	0
c43	+ (-) OTHER ITEMS	0
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(66,175)
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	0
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(90,900)
c36	(-) INCREASE IN CONSTRUCTION PROGRESS	0
c37	+ SALE OF OTHER PERMANENT INVESTMENTS	0
c38	+ SALE OF TANGIBLE FIXED ASSETS	0
c39	+ (-) OTHER ITEMS	24,725

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

STATE OF CASH FLOW (INDIRECT METHOD)
FROM JANUARY 1 TO MARCH 31 OF 2009 AND 2008
(thousands of pesos)

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
ACTIVITIES OF OPERATION		
e01	INCOME (LOSS) BEFORE INCOME TAXES	446,406
e02	+ (-) ITEMS NOT REQUIRING CASH	0
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	280,990
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	13,478
e05	CASH FLOW BEFORE INCOME TAX	740,874
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(332,336)
e07	CASH FLOW PROVIDED OF OPERATING ACTIVITIES	408,538
INVESTMENT ACTIVITIES		

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e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(81,105)
e09	CASH FLOW AFTER INVESTING ACTIVITIES	327,433
	FINANCING ACTIVITIES	
e10	NET CASH FROM FINANCING ACTIVITIES	19,212
e11	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	346,645
e12	TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS	(1,372)
e13	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	576,741
e14	CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	922,014

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

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

REF C	CONCEPTS	CURRENT YEAR AMOUNT
e02	+ (-) ITEMS NOT REQUIRING CASH	0
e15	+ ESTIMATES FOR THE PERIOD	0
e16	+ PROVISIONS FOR THE PERIOD	0
e17	+ (-) OTHER UNREALIZED ITEMS	0
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	280,990
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	274,917
e19	(-) + GAIN OR LOSS ON SALE PROPERTY, PLANT AND EQUIPMENT	0
e20	+ IMPAIRMENT LOSS	0
e21	(-) + EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0
e22	(-) DIVIDENDS RECEIVED	0
e23	(-) INTEREST INCOME	(9,795)

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e24	(-) + OTHER ITEMS	15,868
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	13,478
e25	+ ACCRUED INTEREST	13,478
e26	+ (-) OTHER ITEMS	0
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(332,336)
e27	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(291,139)
e28	+ (-) DECREASE (INCREASE) IN INVENTORIES	572,509
e29	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLES	(408,381)
e30	+ (-) INCREASE DECREASE IN SUPPLIERS	(485,559)
e31	+ (-) INCREASE DECREASE IN OTHER LIABILITIES	454,235
e32	+ (-) INCOME TAXES PAID OR RETURNED	(174,001)
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(81,105)
e33	(-) PERMANENT INVESTMENT IN SHARES	0
e34	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0
e35	(-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT	(90,900)
e36	+ SALE OF PROPERTY PLANT AND EQUIPMENT	0
e37	(-) INVESTMENT IN INTANGIBLE ASSETS	0
e38	+ DISPOSITION OF INTANGIBLE ASSETS	0
e39	+ OTHER PERMANENT INVESTMENTS	0
e40	+ DISPOSITION OF OTHER PERMANENT INVESTMENTS	0
e41	+ DIVIDEND RECEIVED	0
e42	+ INTEREST RECEIVED	9,795
e43	+ (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0
e44	+ (-) OTHER ITEMS	0
e10	NET CASH FROM FINANCING ACTIVITIES	19,212
e45	+ BANK FINANCING	0
e46	+ STOCK MARKET FINANCING	0

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e47	+ OTHER FINANCING	0
e48	(-) BANK FINANCING AMORTIZATION	0
e49	(-) STOCK MARKET FINANCING AMORTIZATION	0
e50	(-) OTHER FINANCING AMORTIZATION	0
e51	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	0
e52	(-) DIVIDENDS PAID	0
e53	+ PREMIUM ON ISSUANCE OF SHARES	0
e54	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0
e55	(-) INTEREST EXPENSE	(6,885)
e56	(-) REPURCHASE OF SHARES	0
e57	+ (-) OTHER ITEMS	26,097

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

DATE PER SHARE
CONSOLIDATED

REF D	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 3.56
d02	BASIC PROFIT PER PREFERRED SHARE (**)	\$ 0.00
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.00
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	\$ 3.56
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0.00
d08	CARRYING VALUE PER SHARE	\$37.91
d09	CASH DIVIDEND ACCUMULATED PER SHARE	\$ 0.00
d10	DIVIDEND IN SHARES PER SHARE	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	0.54 times

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d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE	5.77 times
<hr/>		
d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0.00 times
<hr/>		

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

MEXICAN STOCK EXCHANGE SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

RATIOS CONSOLIDATED

REF P	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
<hr/>		
YIELD		
<hr/>		
p01	NET INCOME TO NET SALES	8.65%
p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	7.92%
p03	NET INCOME TO TOTAL ASSETS (**)	5.51%
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00%
p05	INCOME DUE TO MONETARY POSITION TO NET INCOME	0.00%
<hr/>		
ACTIVITY		
<hr/>		
p06	NET SALES TO NET ASSETS (**)	1.04 times
p07	NET SALES TO FIXED ASSETS (**)	3.19 times
p08	INVENTORIES TURNOVER (**)	3.21 times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	50 days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	8.39%
<hr/>		
LEVERAGE		
<hr/>		
p11	TOTAL LIABILITIES TO TOTAL ASSETS	30.42%
p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	0.44 times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	29.57%

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p14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00%
p15	OPERATING INCOME TO INTEREST PAID	28.54 times
p16	NET SALES TO TOTAL LIABILITIES (**)	3.42 times

LIQUIDITY

p17	CURRENT ASSETS TO CURRENT LIABILITIES	2.69 times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	1.02 times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	1.45 times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	17.67%

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

DIRECTOR REPORT

CONSOLIDATED

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

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

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

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

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

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plan.

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

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

Comparative first quarter 2009 vs first quarter 2008

Net Sales

Net sales decreased 30% to Ps. 5,081 million in the first quarter 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,059 million) compared to Ps. 7,287 million in the same period 2008. Shipments of finished steel products decreased 32% to 506 thousand tons in the first quarter 2009 (including the net sales generated by the newly acquired plants of Grupo San of 135 thousand tons) compared to 745 thousand tons in the same period 2008. Total sales outside of Mexico in the first quarter 2009 decreased 59% to Ps. 2,222 million compared with Ps. 5,423 million in the same period 2008, while total Mexican sales increased 53% from Ps. 1,865 million in the first quarter 2008 to Ps. 2,859 millions in the same period 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,053 million). The decrease in sales can be explained due to lower shipments during

the first quarter 2009, compared to the same period in 2008 (a 239,000 tons decrease). The average price of steel products increased 2.6% in the first quarter 2009 compared with the same period of 2008.

Direct Cost of Sales

Direct cost of sales decreased 32% from Ps. 6,050 million in the first quarter 2008 to Ps. 4,111 million in the same period 2009 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 657 million). Direct cost of sales as a percentage of net sales represented 81% in the first quarter 2009 compared to 83% in the same period 2008. The average cost of raw materials used to produce steel products in the first quarter of 2009 was the same compared to the corresponding period of 2008.

Gross Profit

Gross profit in the first quarter 2009 was Ps. 970 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 402 million) million compared to Ps. 1,237 million in the same period 2008. Gross profit as a percentage of net sales in the first quarter 2009 was 19% compared to 17% in the same period 2008. The decline in gross profit is due to lower shipments of 32% during the first quarter 2009 compared with the same period of 2008.

Operating Expenses

Operating expenses increased 63% to Ps. 585 million in the first quarter 2009 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 114 million and the depreciation and amortization of the tangible and intangible assets of Ps. 90 million registered by the acquisition of Grupo San) compared to Ps. 359 million in the same period 2008, and represented 12% of net sales in the first quarter 2009 and 5% of net sales in the same period 2008.

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Operating Profit

Operating profit decreased 56% to Ps. 385 million for the first quarter 2009 (including the operating profit generated by the newly acquired plants of Grupo San of Ps. 289 million) compared to Ps. 878 million in the same period 2008. Operating profit as a percentage of net sales was 8% in the first quarter 2009 compared to 12% in the same period 2008. The decline in operating profit is due to lower shipments of 32% during the first quarter 2009 compared with the same period of 2008.

Comprehensive Financial Cost

Comprehensive financial cost in the first quarter 2009 represented an income of Ps. 60 million compared with an expense of Ps. 62 million in the same period 2008. Net interest expense was Ps. 3 million in the first quarter 2009 compared with a gain of Ps. 55 million in the same period 2008. At the same time, we registered an exchange gain of Ps. 63 million in the first quarter 2009 compared with an exchange loss of Ps. 117 million in the same period 2008, reflecting a 5.9% decrease in the value of the peso versus the dollar in the first quarter 2009 compared to the same period of 2008.

Other Expenses (Income) net

The company recorded other income net of Ps. 2 million in the first quarter 2009 compared to other income net of Ps. 6 million in the same period 2008.

Income Taxes

Income Taxes recorded a provision of Ps. 7 million in the first quarter 2009 (including the provision of Ps. 167 million of deferred income taxes) compared to Ps. 230 million in the same period of 2008 (including the provision of Ps. 110 million of deferred income taxes).

Net Profit

As a result of the foregoing, net profit decreased by 26% to Ps. 440 million in the first quarter 2009 from Ps. 592 million in the same period 2008.

Liquidity and Capital Resources

As of March 31, 2009, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on March 31, 2009 was U.S. \$395,099). As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882).

Comparative first quarter 2009 vs fourth quarter 2008

Net Sales

Net sales decreased 33% from Ps. 7,618 million for the fourth quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 945 million) to Ps. 5,081 million for the first quarter 2009 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 1,059 million). Sales in tons of finished steel decreased 11% to 506 thousand tons in the first quarter 2009 compared with 567 thousand tons in the fourth quarter 2008. The total sales outside of Mexico for the first quarter 2009 decreased 55% to Ps. 2,222 million compared with Ps. 4,983 million for the fourth quarter

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2008. Total Mexican sales increased 9% to 2,859 million in the first quarter 2009 from Ps. 2,635 million in the fourth quarter 2008. Prices of finished products sold in the first quarter 2009 decreased approximately 25% compared to the fourth quarter 2008.

Direct Cost of Sales

Direct cost of sales decreased 44% from Ps. 7,327 million in the fourth quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 473 million) to Ps. 4,111 million for the first quarter 2009 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 657 million). With respect to sales, in the first quarter 2009, the direct cost of sales represents 81% compared to 96% for the fourth quarter 2008. The average cost of raw materials used to produce steel products decreased 37% in the first quarter 2009 versus the fourth quarter 2008, primarily as a result of decreases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the first quarter 2009 increased 233% to Ps. 970 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 402 million) compared to Ps. 291 million in the fourth quarter 2008 (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 472 million). The gross profit as a percentage of net sales for the first quarter 2009 was 19% compared with 4% for the fourth quarter of 2008. The increase in gross profit is due to the decrease in the cost of raw materials used to produce steel products.

Operating Expenses

Operating expenses decreased 36% to Ps. 585 million in the first quarter 2009 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 114 million and the depreciation and amortization of the tangible and intangible assets of Ps. 90 million registered by the acquisition of Grupo San) compared to Ps. 916 million for the fourth quarter 2008 (including the operating expenses from the newly acquired plants of Grupo San of Ps. 232 million and the depreciation and amortization of the tangible and intangible assets of Ps. 277 million registered by the acquisition of Grupo San). Operating expenses as a percentage of net sales represented 12% during the first quarter 2009 and the fourth quarter 2008.

Operating Profit

Operating profit increased 1,616% from an operating loss of Ps. 625 million in the fourth quarter 2008 (including the operating profit generated by the newly acquired plants of Grupo San of Ps. 232 million) to Ps. 385 million of operating profit for the first quarter 2009 (including the operating profit generated by the newly acquired plants of Grupo San of Ps. 289 million). The operating profit as a percentage of net sales in the first quarter 2009 was 8% compared to 8% in the fourth quarter 2008. The increase in operating profit is due to the decrease in the cost of raw materials used to produce steel products and the decrease in the operating expenses previously mentioned.

Comprehensive Financial Cost

Comprehensive financial cost for the first quarter 2009 represented an income of Ps. 60 million compared with an income of Ps. 59 million for the fourth quarter 2008. Net interest expense was Ps. 3 million in the first quarter 2009 compared with Ps. 2 million of net interest expense in the fourth quarter 2008. At the same time we registered an exchange gain of Ps. 63 million in the first quarter

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2009 compared with an exchange gain of Ps. 61 million in the fourth quarter 2008.

Other Expenses (Income) net

The company recorded other income net of Ps. 2 million in the first quarter 2009 compared with other expense net of Ps. 56 million for the fourth quarter 2008.

Income Taxes

Income Taxes for the first quarter 2009 was an expense of Ps. 7 million compared to Ps. 171 million of income for the fourth quarter 2008.

Net Profit

As a result of the foregoing, net profit was Ps. 440 million in the first quarter 2009 compared to Ps. 451 million of net loss in the fourth quarter 2008.

(Millions of pesos)	1Q '09	4Q '08	1Q '08	1Q '09 vs 4Q '08	1Q '09 vs 1Q '08
Sales	5,081	7,618	7,287	-33%	-30%
Cost of Sales	4,111	7,327	6,050	-44%	-32%
Gross Profit	970	291	1,238	233%	-22%
Operating Expenses	585	916	359	-36%	63%
Operating Profit	385	(625)	878	1616%	-56%
EBITDA	660	(188)	1,008	-451%	-35%
Net Profit	440	(451)	592	-198%	-26%
Sales outside Mexico	2,222	4,983	5,423	-55%	-59%
Sales in Mexico	2,859	2,635	1,865	9%	53%
Total sales (tons)	506	567	745	-11%	-32%

Product	Thousands of tons 1Q '09	Millions of pesos 1Q'09	Average price per ton 1Q'09	Thousands of tons 4Q'08	Millions of pesos 4Q'08	Average price per ton 4Q'08
SBQ	215	2,621	12,191	335	5,435	16,224
Light Structural	47	464	9,872	30	339	11,302
Structural	50	507	10,140	33	371	11,243
Rebar	163	1,241	7,613	146	1,210	8,287

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Others	31	248	-	23	263	-
Total	506	5,081	10,042	567	7,618	13,435

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

MEXICAN STOCK EXCHANGE SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

FINANCIAL STATEMENT NOTES

CONSOLIDATED

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

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

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

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

b. The main subsidiaries of SIMEC are the following:

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

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.

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

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

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

e.- Derivative financial instruments-- The Company is using derivative financial instruments for hedging risks associated with natural gas prices and conducted studies on historical consumption, future requirements and

commitments; thus it avoided exposure to risks other than the normal operating risks. Management of the Company examines its financial risks by continually analyzing price, credit and liquidity risks.

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

As applicable, the Company recognized the fair value of instruments either as liabilities or assets. Such fair value and thus, the value of these assets or liabilities were restated at each month's-end. The Company opted for the early adoption of Bulletin C-10 "Derivative Financial Instruments and Hedging"; therefore, at March 31, 2009 the fair value of natural gas and which effective portions will not be offset against the asset risks until consumed, were recognized within the comprehensive income account in stockholders' equity.

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

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

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

h. Seniority premiums and severance payments - According to Federal Labor Law, employees are entitled to seniority premiums after fifteen years or more of services. These premiums are recognized as expenses in the years in which the

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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 MFERS 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.

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- 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.

1. 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 March 31, 2009 sales to five customers accounted for approximately 34% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes and allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

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

(2) Financial Debt:

As of March 31, 2009, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on March 31, 2009 was U.S. \$395,099). As of December 31, 2008, Simec's total consolidated debt consisted of U.S. \$952,000; U.S. \$650,000 is a credit bank and U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest on December 31, 2008 was U.S. \$387,882).

(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. 11,896 (U.S. \$830,032) at March 31, 2009, (included in accrued liabilities) relating to these actions; the reduction of this reserve from previous levels reflects clean-up activities undertaken by Simec. Management believes the ultimate liability with respect to this matter will not exceed the amounts that have been accrued.

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

RELATIONS OF SHARES INVESTMENTS

CONSOLIDATED

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COMPANY NAME	MAIN ACTIVITIES
SUBSIDIARIES	
Cia Siderurgica de Guadalajara	Sub-Holding
Simec International	Production and sales of steel products
Arrendadora Simec	Production and sales of steel products
Controladora Simec	Sub-Holding
Pacific Steel	Scrap purchase
Cia. Siderurgica del Pacifico	Rent of land
Coordinadora de Servicios Siderurgicos de Calidad	Administrative services
Comercializadora Simec	Sales of steel products
Industrias del Acero y del Alambre	Sales of steel products
Procesadora Mexicali	Scrap purchase
Servicios Simec	Administrative services
Sistemas de Transporte de Baja California	Freight services
Operadora de Metales	Administrative services
Operadora de Servicios Siderurgicos de Tlaxcala	Administrative services
Administradora de Servicios Siderurgicos de Tlaxcala	Administrative services
Operadora de Servicios de la Industria Siderurgica	Administrative services
SimRep	Sub-Holding
PAV Republic	Production and sales of steel products
CSG Comercial	Sales of steel products
Comercializadora de Aceros de Tlaxcala	Sales of steel products
Siderurgica de Baja California	Sales of steel products
TOTAL INVESTMENT IN SUBSIDIARIES	
ASSOCIATEDS	
TOTAL INVESTMENT IN ASSOCIATEDS	
OTHER PERMANENT INVESTMENTS	
TOTAL	

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NOTES

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

QUARTER: 1 YEAR: 2009

CREDITS BREAK DOWN
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

Credit Type / Institution	Amortization Date	Rate of Interest	Denominated in Pesos (Thousands of Pesos)					Until 5 Years or More	Den Current Year
			Time Interval	Current Year	Until 1 Year	Until 2 Years	Until 3 Years		
BANKS									
With Warranty			0	0	0	0	0	0	
GE CAPITAL	20/05/2010	LIBOR+0.25	0	0	0	0	0	0	
TOTAL BANKS			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	4,295	
TOTAL STOCK EXCHANGE			0	0	0	0	0	4,295	

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SUPPLIERS

Various	1,114,624	0	0	0	0	0	1,976,139
---------	-----------	---	---	---	---	---	-----------

TOTAL SUPPLIERS	1,114,624	0	0	0	0	0	1,976,139
-----------------	-----------	---	---	---	---	---	-----------

OTHER LOANS
WITH COST

TOTAL	0	0	0	0	0	0	0
-------	---	---	---	---	---	---	---

Credit Type / Institution	Amortization Date	Rate of Interest	Denominated in Pesos (Thousands of Pesos)					Denom	
			Time Interval						
			Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years or More	Current Year

OTHER CURRENT
LIABILITIES
WITHOUT COST

Various	0	900,062	0	0	0	0	872,879
---------	---	---------	---	---	---	---	---------

TOTAL	0	900,062	0	0	0	0	872,879
-------	---	---------	---	---	---	---	---------

TOTAL	1,114,624	900,062	0	0	0	0	2,853,313
-------	-----------	---------	---	---	---	---	-----------

NOTES: The exchange rate of the peso to the U.S. Dollar at March 31, 2009 was Ps. 14.3317

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

QUARTER: 1 YEAR: 2009

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MONETARY FOREIGN CURRENCY POSITION
(Thousands of Mexican Pesos)

CONSOLIDATED

FOREIGN CURRENCY POSITION	DOLLARS		OTHER CUR
	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS
TOTAL ASSETS	178,881	2,556,827	0
LIABILITIES POSITION	198,898	2,850,247	169
SHORT TERM LIABILITIES POSITION	198,898	2,850,247	169
LONG TERM LIABILITIES POSITION	0	0	0
NET BALANCE	-20,017	-293,420	(169)

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT MARCH 31, 2009 WAS PS.
14.3317

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

QUARTER: 1 YEAR: 2009

DEBT INSTRUMENTS

CONSOLIDATED

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

MEDIUM TERM NOTES

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

This notes was offered in the international market.

ACTUAL SITUATION OF FINANCIAL LIMITED

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MEDIUM TERM NOTES

- A) Accomplished the actual situation is 2.64 times.
- B) Accomplished the actual situation is 0.31
- C) Accomplished the actual situation is 31.84

As of March 31, 2009, the remaining balance of the MTNs not exchanged amounts to Ps. 4,295 (\$302,000 dollars).

C.P. Jose Flores Flores
Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

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

QUARTER: 1 YEAR: 2009

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

CONSOLIDATED

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT
GUADALAJARA MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	
MEXICALI MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	
INDUSTRIAS DEL ACERO Y DEL ALAMBRE	SALE OF STEEL PRODUCTS	
APIZACO AND CHOLULA PLANTS	PRODUCTION AND SALES OF STEEL PRODUCTS	
CANTON CASTER FACILITY	PRODUCTION OF BILLET	1
LORAIN CASTER FACILITY	PRODUCTION OF BILLET	1
LORAIN HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	
LACKAWANNA HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	
MASSILLON COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	
GARY COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	
ONTARIO COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	
SAN LUIS POTOSI COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	

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MEXICAN STOCK EXCHANGE
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QUARTER: 1 YEAR: 2009

MAIN RAW MATERIALS

CONSOLIDATED

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

MEXICAN STOCK EXCHANGE
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QUARTER: 1 YEAR: 2009

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

DOMESTIC SELLS

MAIN PRODUCTS	NET SALES		MAIN DESTINATION	
	VOLUME	AMOUNT	TRADEMARKS	COSTUMERS
STRUCTURAL PROFILES	42	435,960		
COMMERCIAL PROFILES	22	209,979		
REBAR	158	1,207,443		
FLAT BAR	13	134,909		

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STEEL BARS	67	623,454
OTHER	0	8,207
BILLET	8	46,804
ALAMBRON	10	75,546
MALLA	13	116,790
T O T A L		2,859,092
FOREIGN SALES		2,221,549
TOTAL		5,080,641

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

QUARTER: 1 YEAR: 2009

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SELLS

MAIN PRODUCTS	NET SALES		MAIN	
	VOLUME	AMOUNT	TRADEMARKS	COSTUMERS
EXPORTS				
STRUCTURAL PROFILES	8	71,023		
COMMERCIAL PROFILES	6	56,747		
REBAR	9	101,114		
STEEL BARS	5	33,343		
FLAT BAR	6	62,800		
BILLET	0	333		
FOREIGN SUBSIDIARIES				
HOT-ROLLED BARS	100	1,312,243		
COLD-FINISHED BARS	22	384,504		
OTHER SEMI-FINISHED				

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TRADE PRODUCTS	12	135,357
INGOT	5	64,085
T O T A L		2,221,549

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QUARTER: 1 YEAR: 2009

CONSTRUCTION IN PROGRESS

CONSOLIDATED

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

PROJECTS IN PROGRESS	TOTAL INVESTMENT
PROJECTS IN REPUBLIC	209,157
PROJECTS IN MEXICALI	163,409
PROJECTS IN TLAXCALA	63,451
PROJECTS IN GUADALAJARA	13,255
PROJECTS IN SAN LUIS	18,901
TOTAL INVESTMENT AT MARCH 31, 2009	468,173 =====

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

CONSOLIDATED

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

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

The first step in the process of conversion of financial information of the operations is the determination of the functional currency, which is in first instance the currency of primary the economic surroundings of the foreign operation; nevertheless, despite the previous thing, the functional currency can

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differ from the premises or registry, in the measurement that this one does not represent the currency that fundamentally affects the cash flow of the operations abroad. The financial statements of the foreign subsidiaries were turned to Mexican pesos with the following procedure:

- Applying the prevailing exchange rate at the consolidated balance date for assets and liabilities.
- Applying the prevailing historical exchange rate for stockholders' equity accounts.
- Applying the prevailing the historical exchange rate at the consolidated balance sheet date for revenues and expenses during the reporting period
- The resulting effect of translation, the process of consolidation and to apply the participation method, is recorded in stockholders' equity under the accumulated effect by conversion forming part of the Comprehensive Income.

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QUARTER: 1 YEAR: 2009

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK
CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID CUPON	NUMBER OF SHARES				CAPITAL (Thousands)	
			FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUSCRIPTION	FIXED	VARIABLE
B			90,850,050	406,859,164	0	497,709,214	441,786	1
TOTAL			90,850,050	406,859,164	0	497,709,214	441,786	1

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF
SENDING THE INFORMATION: 497,709,214

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QUARTER: 1 YEAR: 2009

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R20: PRO FORMA FINANCIAL INFORMATION

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

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

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

		January -March 2009		January - March 2008
		-----		-----
		2009		2008
		-----		-----
Net sales	Ps.	5,081	Ps.	8,933
Marginal profit		970		1,845
Net income	Ps.	545	Ps.	809
		-----		-----
Earnings per share		1.09		1.70
		=====		=====

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

QUARTER: 1 YEAR: 2009

CONSOLIDATED

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

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

ING LUIS GARCIA LIMON
CHIEF EXECUTIVE OFFICER

C.P. JOSE FLORES FLORES
CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT MAY 4 OF 2009.