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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
SIFIC / ICS

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 |

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

QUARTER: 1 YEAR: 2009

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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 |

MEXICAN STOCK EXCHANGE
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STOCK EXCHANGE CODE: SIMEC
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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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

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

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

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

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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SIFIC / ICS

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

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 |
|----------|------------|--------------------------------------|
|----------|------------|--------------------------------------|

YIELD

| | | |
|-----|---|-------|
| 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% |

ACTIVITY

| | | |
|-----|---|------------|
| 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% |

LEVERAGE

| | | |
|-----|---|------------|
| 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 '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 | 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) | | | | | Den | |
|------------------------------------|----------------------|---------------------|--|-----------------|-----------------|------------------|------------------|-----|------------------|
| | | | Time Interval | Current Year | Until 1 Year | Until 2 Years | Until 3 Years | | Until 4 Years |
| BANKS | | | | | | | | | |
| With Warranty | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GE CAPITAL | 20/05/2010 | LIBOR+0.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BANKS | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LISTED IN THE STOCK EXCHANGE | | | | | | | | | |
| UNSECURED DEBT | | | | | | | | | |
| Medium Term Notes | 15/12/1998 | 9.33 | 0 | 0 | 0 | 0 | 0 | 0 | 4,295 |
| TOTAL STOCK EXCHANGE | | | 0 | 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

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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

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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

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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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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 | |

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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 |

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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 ----- 2009 ----- | | January - March 2008 ----- 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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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.