

Edgar Filing: GROUP SIMEC SA DE CV - Form 6-K

GROUP SIMEC SA DE CV  
Form 6-K  
May 05, 2008

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, 2008.

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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)

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Date: May 5, 2008.

By: /s/ Luis Garcia Limon

-----  
 Name: Luis Garcia Limon  
 Title: Chief Executive Officer

## MEXICAN STOCK EXCHANGE SIFIC / ICS

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

QUARTER: 4 YEAR:2007

### CONSOLIDATED FINANCIAL STATEMENT AT DECEMBER 31 OF 2007 AND 2006 (thousands of Mexican pesos)

AUDITED

REF S	CONCEPTS	CURRENT YEAR		
		AMOUNT	%	AMOUNT
s01	TOTAL ASSETS	22,841,257	100	18,042,
s02	CURRENT ASSETS	14,453,755	63	9,871
s03	CASH AND SHORT-TERM INVESTMENTS	6,396,155	28	2,204
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	2,481,189	11	2,243
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	574,002	3	262
s06	INVENTORIES	4,930,404	22	5,052
s07	OTHER CURRENT ASSETS	72,005	0	108
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)	7,900,638	35	7,599
s13	LAND AND BULIDINGS	2,619,597	11	2,578
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	8,992,073	39	8,077
s15	OTHER EQUIPMENT	109,237	0	116
s16	ACCUMULATED DEPRECIATION	4,016,312	18	3,299

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s17 CONSTRUCTION IN PROGRESS	196,043	1	127
s18 OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	384,346	2	476
s19 OTHER ASSETS	102,518	0	95
s20 TOTAL LIABILITIES	5,589,223	100	5,082
s21 CURRENT LIABILITIES	2,860,124	51	2,907
s22 SUPPLIERS	2,104,235	38	1,848
s23 BANK LOANS	0	0	
s24 STOCK MARKET LOANS	3,282	0	3
s103 OTHER LOANS WITH COST	0	0	
s25 TAXES PAYABLE	72,551	1	197
s26 OTHER CURRENT LIABILITIES WITHOUT COST	680,056	12	857
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	2,729,099	49	2,174
s33 CONSOLIDATED STOCKHOLDERS' EQUITY	17,252,034	100	12,960
s34 MINORITY INTEREST	2,390,179	14	2,252
s35 MAJORITY INTEREST	14,861,855	86	10,707
s36 CONTRIBUTED CAPITAL	7,181,744	42	4,761
S79 CAPITAL STOCK	4,030,427	23	3,763
s39 PREMIUM ON ISSUANCE OF SHARES	3,151,317	18	997
s40 CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	
s41 EARNED CAPITAL	7,680,111	45	5,946
s42 RETAINED EARNINGS AND CAPITAL RESERVES	8,550,179	50	7,021
s44 OTHER ACCUMULATED COMPREHENSIVE RESULT	(870,068)	(5)	(1,074,

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s80 SHARES REPURCHASED 0 0

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

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

AUDITED

REF S	CONCEPTS	CURRENT YEAR		
		AMOUNT	%	AMOUNT
s03	CASH AND SHORT-TERM INVESTMENTS	6,396,155	100	2,204,0
s46	CASH	301,766	5	395,2
s47	SHORT-TERM INVESTMENTS	6,094,389	95	1,808,8
s07	OTHER CURRENT ASSETS	72,005	100	108,3
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	
s82	DISCONTINUED OPERATIONS	0	0	
s83	OTHER	72,005	100	108,3
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	384,346	100	476,8
s48	DEFERRED EXPENSES	332,737	87	427,9
s49	GOODWILL	36,258	9	
s51	OTHER	15,351	4	48,8
s19	OTHER ASSETS	102,518	100	95,0
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	5,059	5	5,9
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	
s50	DEFERRED TAXES	0	0	

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s86 DISCONTINUED OPERATIONS	0	0	
s87 OTHER	97,459	95	89,1
s21 CURRENT LIABILITIES	2,860,124	100	2,907,4
s52 FOREIGN CURRENCY LIABILITIES	2,348,357	82	2,223,8
s53 MEXICAN PESOS LIABILITIES	511,767	18	683,6
s26 OTHER CURRENT LIABILITIES WITHOUT COST	680,056	100	857,3
s88 DERIVATIVE FINANCIAL INSTRUMENTS	0	0	6,3
s89 INTEREST LIABILITIES	3,952	1	6,8
s68 PROVISIONS	0	0	
s90 DISCONTINUED OPERATIONS	0	0	
s58 OTHER CURRENT LIABILITIES	676,104	99	844,1
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	2,729,099	100	2,174,9
s66 DEFERRED TAXES	2,672,480	98	2,081,7
s91 OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	18,422	1	23,1
s92 DISCONTINUED OPERATIONS	0	0	
s69 OTHER LIABILITIES	38,197	1	70,1
s79 CAPITAL STOCK	4,030,427	100	3,763,4
s37 CAPITAL STOCK (NOMINAL)	2,307,961	57	2,048,2
s69 RESTATEMENT OF CAPITAL STOCK	1,722,466	43	1,715,1

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

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

AUDITED

REF S	CONCEPTS	CURRENT YEAR		P AMOUNT
		AMOUNT	%	
s42	RETAINED EARNINGS AND CAPITAL RESERVES	8,550,179	100	7,021,1
s93	LEGAL RESERVE	0	0	
s43	RESERVE FOR REPURCHASE OF SHARES	200,612	2	200,6
s94	OTHER RESERVES	0	0	
s95	RETAINED EARNINGS	6,820,510	80	4,641,8
s45	NET INCOME FOR THE YEAR	1,529,057	18	2,178,6
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(870,068)	00)	(1,074,26
s70	ACCUMULATED MONETARY RESULT	0	0	
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	132,155	15	(73,65
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	(31,710)	(4)	(25,53
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	0	0	(4,55
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	(970,513)	(112)	(970,
s99	LABOR OBLIGATION ADJUSTMENT	0	0	
s100	OTHER	0	0	

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

BALANCE SHEETS  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

REF S	CONCEPTS	CURRENT YEAR  AMOUNT	PREVIOUS YEAR  AMOUNT
S72	WORKING CAPITAL	11,593,631	6,963,547
S73	PENSIONS FUND AND SENIORITY PREMIUMS	0	0
S74	EXECUTIVES (*)	51	54
S75	EMPLOYERS (*)	1,190	1,137
S76	WORKERS (*)	3,196	2,862
S77	COMMON SHARES (*)	474,621,611	421,214,706
S78	REPURCHASED SHARES (*)	0	0
S101	RESTRICTED CASH	0	0
S102	NET DEBT OF NON CONSOLIDATED COMPANIES	0	238,555

(\*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

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

QUARTER: 4 YEAR:2007

STATEMENTS OF INCOME  
FROM JANUARY 1 TO DECEMBER 31 OF 2007 AND 2006  
(thousands of Mexican pesos)

AUDITED

REF R	CATEGORIES	CURRENT YEAR
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		AMOUNT	%
r01	NET SALES	24,106,094	100
r02	COST OF SALES	20,498,918	85
r03	GROSS PROFIT	3,607,176	15
r04	OPERATING EXPENSES	1,423,159	6
r05	OPERATING INCOME	2,184,017	9
r08	OTHER INCOME AND (EXPENSE), NET	21,329	0
r06	COMPREHENSIVE FINANCING RESULT	40,503	0
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	2,245,849	9
r10	INCOME TAXES	620,674	3
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	1,625,175	7
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	1,625,175	7
r19	NET INCOME OF MINORITY INTEREST	96,118	0
r20	NET INCOME OF MAJORITY INTEREST	1,529,057	6

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

QUARTER: 4 YEAR:2007

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

AUDITED

REF	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR
R		AMOUNT	%	AMOUNT
r01	NET SALES	24,106,094	100	23,515,297



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r21	DOMESTIC	7,075,267	29	7,575,777
r22	FOREIGN	17,030,827	71	15,939,520
r23	TRANSLATED INTO DOLLARS (***)	1,564,695		1,411,601
r08	OTHER INCOME AND (EXPENSE), NET	21,329	100	39,205
r49	OTHER INCOME AND (EXPENSE), NET	21,329	100	39,205
r34	EMPLOYEES' PROFIT SHARING EXPENSES	0	0	0
r35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0	0
r06	COMPREHENSIVE FINANCING RESULT	40,503	100	(63,444)
r24	INTEREST EXPENSE	24,585	(61)	15,518
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0	0
r45	OTHER FINANCE COSTS	0	0	0
r26	INTEREST INCOME	297,898	735	62,450
r46	OTHER FINANCIAL PRODUCTS	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	(37,879)	(94)	(37,424)
r28	RESULT FROM MONETARY POSITION	(194,931)	(481)	(72,952)
r10	INCOME TAXES	620,674	100	608,721
r32	INCOME TAX	111,522	18	627,612
r33	DEFERRED INCOME TAX	509,152	82	(18,891)

(\*\*\*) THOUSANDS OF DOLLARS

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

QUARTER: 4 YEAR:2007

STATEMENTS OF INCOME  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

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REF R	CONCEPTS	CURRENT YEAR AMOUNT	PREVIOUS YEAR AMOUNT
r36	TOTAL SALES	24,593,431	24,178,7
r37	TAX RESULT FOR THE YEAR	0	
r38	NET SALES (**)	24,106,094	23,515,2
r39	OPERATION INCOME (**)	2,184,017	3,031,7
r40	NET INCOME OF MAJORITY INTEREST (**)	1,529,057	2,178,6
r41	NET CONSOLIDATED INCOME (**)	1,625,175	2,398,7
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	549,256	449,7

(\*\*) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

QUARTERLY STATEMENTS OF INCOME  
FROM SEPTEMBER 1 TO DECEMBER 31 OF 2007 AND 2006  
(thousands of Mexican pesos)

AUDITED

REF R	CATEGORIES	CURRENT YEAR AMOUNT	%
rt01	NET SALES	5,824,351	100
rt02	COST OF SALES	5,435,842	93
rt03	GROSS PROFIT	388,509	7
rt04	OPERATING EXPENSES	352,024	6
rt05	OPERATING INCOME	36,485	1
rt08	OTHER INCOME AND (EXPENSE), NET	(24,331)	0
rt06	COMPREHENSIVE FINANCING RESULT	(167,318)	(3)

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rt12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
rt48	NON ORDINARY ITEMS	0	0
rt09	INCOME BEFORE INCOME TAXES	(155,164)	(3)
rt10	INCOME TAXES	(119,559)	(2)
rt11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	(35,605)	0
rt14	DISCONTINUED OPERATIONS	0	0
rt18	NET CONSOLIDATED INCOME	(35,605)	0
rt19	NET INCOME OF MINORITY INTEREST	(140,009)	(2)
rt20	NET INCOME OF MAJORITY INTEREST	104,404	2

MEXICAN STOCK EXCHANGE  
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QUARTER: 4 YEAR:2007

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

AUDITED

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS
		AMOUNT	%	AMOUNT
rt01	NET SALES	5,824,351	100	4,898,726
rt21	DOMESTIC	1,559,961	27	2,085,359
rt22	FOREIGN	4,264,390	73	2,813,367
rt23	TRANSLATED INTO DOLLARS (***)	420,709		293,798
rt08	OTHER INCOME AND (EXPENSE), NET	(24,331)	100	10,683
rt49	OTHER INCOME AND (EXPENSE), NET	(24,331)	100	10,683
rt34	EMPLOYEES' PROFIT SHARING EXPENSES	0	0	0
rt35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0	0

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rt06	COMPREHENSIVE FINANCING RESULT	(167,318)	100	(53,614)
rt24	INTEREST EXPENSE	5,120	(3)	6,144
rt42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0	0
rt45	OTHER FINANCE COSTS	0	0	0
rt26	INTEREST INCOME	60,589	36	23,178
rt46	OTHER FINANCIAL PRODUCTS	0	0	0
rt25	FOREIGN EXCHANGE GAIN (LOSS), NET	(35,465)	(21)	(20,256)
rt28	RESULT FROM MONETARY POSITION	(187,322)	(112)	(50,392)
rt10	INCOME TAXES	(119,559)	100	247,449
rt32	INCOME TAX	(158,241)	(132)	98,360
rt33	DEFERRED INCOME TAX	38,682	32	149,089

(\*\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

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

AUDITED

REF RT	CONCEPTS	CURRENT YEAR AMOUNT	PREVIOUS AMOUNT
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	169,880	119,1

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

QUARTER: 4 YEAR:2007

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STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FROM JANUARY 1 TO DECEMBER 31 OF 2007 AND 2006  
(thousands of pesos)

AUDITED

REF C	CONCEPTS	CURRENT YEAR  AMOUNT
c01	CONSOLIDATED NET INCOME	1,625,175
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	1,062,983
c03	RESOURCES FROM NET INCOME FOR THE YEAR	2,688,158
c04	RESOURCES PROVIDED OR USED IN OPERATION	(304,274)
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	2,383,884
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	(128,292)
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	2,420,726
c08	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	2,292,434
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(484,181)
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	4,192,137
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	2,204,018
c12	CASH AND SHORT TERM INVESTMENTS AT THE END OF PERIOD	6,396,155

MEXICAN STOCK EXCHANGE  
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QUARTER: 4 YEAR:2007

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of pesos)

AUDITED

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REF C	CONCEPTS	CURRENT YEAR  AMOUNT
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	1,062,983
c13	DEPRECIATION AND AMORTIZATION FOR THE YEAR	549,256
c41	+ (-) OTHER ITEMS	513,727
c04	RESOURCES PROVIDED OR USED IN OPERATION	(304,274)
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(237,795)
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	123,835
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	(274,808)
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	255,378
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	(170,884)
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	(128,292)
c23	+ BANK FINANCING	0
c24	+ STOCK MARKET FINANCING	(124)
c25	+ DIVIDEND RECEIVED	0
c26	OTHER FINANCING	0
c27	BANK FINANCING AMORTIZATION	0
c28	(-) STOCK MARKET FINANCING AMORTIZATION	0
c29	(-) OTHER FINANCING AMORTIZATION	(128,168)
c42	+ (-) OTHER ITEMS	0
C07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	2,420,726
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	267,015
c31	(-) DIVIDENDS PAID	0
c32	+ PREMIUM ON ISSUANCE OF SHARES	2,153,711
c33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	0

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c43	+ (-) OTHER ITEMS	0
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(484,181)
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	0
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(485,668)
c36	(-) INCREASE IN CONSTRUCTION PROGRESS	0
c37	+ SALE OF OTHER PERMANENT INVESTMENTS	0
c38	+ SALE OF TANGIBLE FIXED ASSETS	0
c39	+ (-) OTHER ITEMS	1,487

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

DATE PER SHARE  
CONSOLIDATED

UDITED

REF D	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 3.27
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 (**)	\$ 3.27
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0.00
d08	CARRYING VALUE PER SHARE	\$31.31
d09	CASH DIVIDEND ACCUMULATED PER SHARE	\$ 0.00
d10	DIVIDEND IN SHARES PER SHARE	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	1.24 times

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d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE	11.84 times
d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0.00 times

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

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

RATIOS  
CONSOLIDATED

AUDITED

REF P	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
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YIELD

p01	NET INCOME TO NET SALES	6.74%
p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	10.29%
p03	NET INCOME TO TOTAL ASSETS (**)	7.12%
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00%
p05	INCOME DUE TO MONETARY POSITION TO NET INCOME	(11.99)%

ACTIVITY

p06	NET SALES TO NET ASSETS (**)	1.06 times
p07	NET SALES TO FIXED ASSETS (**)	3.05 times
p08	INVENTORIES TURNOVER (**)	4.16 times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	32 days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	749.09%

LEVERAGE

p11	TOTAL LIABILITIES TO TOTAL ASSETS	24.47%
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p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	0.32 times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	42.02%
p14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00%
p15	OPERATING INCOME TO INTEREST PAID	88.84 times
p16	NET SALES TO TOTAL LIABILITIES (**)	4.31 times

LIQUIDITY

p17	CURRENT ASSETS TO CURRENT LIABILITIES	5.05 times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	3.33 times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	2.59 times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	223.63%

CASH FLOW

p21	RESOURCES FROM NET INCOME TO NET SALES	11.15%
p22	RESOURCES FROM CHANGES IN WORKING CAPITAL TO NET SALES	(1.26)%
p23	RESOURCES GENERATED (USED) IN OPERATING TO INTEREST PAID	96.96 times
p24	EXTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING	(5.60)%
p25	INTERNAL FINANCING TO RESOURCES PROVIDED (USED FOR) FINANCING	105.60%
p26	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	100.31%

(\*\*) 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: 4 YEAR: 2007

DIRECTOR REPORT

AUDITED

CONSOLIDATED

Grupo Simec, S.A.B. de C.V. ("Simec") announced today its final audited results of operations for the year ended December 31, 2007.

Acquisition of Corporacion Aceros DM, S.A. de C.V. On February 21, 2008, Simec executed an agreement to acquire 100% of the shares of Corporacion Aceros DM, S.A. de C.V. and certain of its affiliates ("Grupo San"). Grupo San is a long

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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 its 1,457 employees rely on cutting edge technology to produce 700 thousand tons of finished products annually.

With this acquisition, Simec and Industrias CH, S.A. de C.V. ("ICH") position themselves as the second largest producers of rebar and the largest steel producers 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 and sales mix, with 50% of sales in Mexico and 50% outside Mexico, both of which will allow them to better address the natural cycles of the steel industry at the domestic and global levels. Additionally, Simec and ICH have already identified significant synergies and economies of scale that will increase Simec's operating margins. Grupo San's central location in Mexico, where Simec and ICH are 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 corrugated rebar business, which ICH and Simec will support and promote to satisfy the growing demand for this product resulting from the Mexican Government's aggressive infrastructure plan.

Simec, the main subsidiary of ICH, will acquire 100% of the shares of Grupo San. The transaction is valued at 850 million U.S. dollars, 85% of which will be paid with cash generated by the company's operations and by the company's stock public offering, which took place in February 2007. This acquisition confirms the growth strategy that has characterized ICH, reaffirming its position as a consolidator in the steel sector.

This acquisition is subject to the approval of Mexico's federal competition commission, Comision Federal de Competencia, as well as Simec's shareholders' meeting. Grupo San's shareholders were advised by Lehman Brothers, Inc. and by the law office of Galicia y Robles, S.C. Simec was represented by the law office of Mijares, Angoitia, Cortes y Fuentes, S.C.

Year Ended December 31, 2007 compared to Year Ended December 31, 2006

### Net Sales

Net sales increased 3% to Ps. 24,106 million in 2007 compared to Ps. 23,515 million in 2006. Shipments of finished steel products increased 0.5% to 2,693 thousand tons in 2007 compared to 2,673 thousand tons in 2006. Total sales outside of Mexico in 2007 increased 7% to Ps. 17,031 million compared with Ps. 15,939 million in 2006, while total Mexican sales decreased 7% from 7,576 million in 2006 to Ps. 7,075 million in 2007. The increase in sales can be explained by higher shipments during 2007, compared with 2006 (14,000 tons increase). The increase in tons shipped originated mainly in the plant of Apizaco and compensated for the two unexpected stoppages in the rolling lines of the plants in Guadalajara and

Apizaco due during the periods July 5-8, July 10-13, and September 10-15, as a result of the shortage of natural gas due to the explosions on the property of Petroleos Mexicanos.

### Direct Cost of Sales

Direct cost of sales increased 7% from Ps. 19,132 million in 2006 to Ps. 20,499 million in 2007. Direct cost of sales as a percentage of net sales represented 85% in 2007 compared to 81% in 2006. The increase in the Direct Cost of Sales is

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attributable mainly to an increase of 6% in real terms in the average cost of raw materials used to produce steel products in 2007 versus 2006, primarily as a result of increases in the price of scrap and certain other raw materials and an increase in the labor costs per ton sold, due to the three unexpected stoppages in the rolling lines of the plants in Guadalajara and Apizaco due during the periods July 5-8, July 10-13, and September 10-15, as a result from the shortage in natural gas due to the explosions on the property of Petroleos Mexicanos.

### Gross Profit

Gross profit in 2007 decreased 18% to Ps. 3,607 million compared to Ps. 4,383 million in 2006. Gross profit as a percentage of net sales in 2007 was 15% compared to 19% in 2006. The decline in gross profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Operating Expenses

Operating expenses increased 5% to Ps. 1,423 million in 2007 compared to Ps. 1,351 million in 2006 (depreciation and amortization increased Ps. 99 million in 2007 compared to 2006) but remained stable at 6% of net sales.

### Operating Profit

Operating profit decreased 28% from Ps. 3,032 million in 2006 to Ps. 2,184 million in 2007. Operating profit as a percentage of net sales was 9% in 2007 compared to 13% in 2006. The decline in operating profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Comprehensive Financial Cost

Comprehensive financial cost in 2007 represented a gain of Ps. 40 million compared with a expense of Ps. 63 million in 2006. Net interest income was Ps. 273 million in 2007, compared with Ps. 47 million in 2006 due to larger cash balances during this year partly reflecting our recent capital increase in February 2007. At the same time we registered an exchange loss of Ps. 38 million in 2007 compared with an exchange loss of Ps. 37 million in 2006, reflecting a 0.1% decrease in the value of the peso versus the dollar in 2007 compared to 2006. Simec recorded a loss from monetary position of Ps. 195 million in 2007 compared to a loss from monetary position of Ps. 73 million in 2006, reflecting the domestic inflation rate of 3.6% in 2007 as compared to a 4% inflation rate in 2006.

### Other Expenses (Income) net

The company recorded other income net of Ps. 21 million in 2007 compared to other income net for Ps. 39 million in 2006.

### Income Tax

Income Tax recorded Ps. 620 million in 2007 compared to Ps. 609 million in 2006. In 2006, we amortized Ps. 364 million of our deferred credit which is non-taxable income. This does not affect the cash flow.

### Net Profit

As a result of the foregoing, net profit decreased by 32% to Ps. 1,625 million in 2007 from Ps. 2,399 million in 2006.

### Liquidity and Capital Resources

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At December 31, 2007, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2007 was U.S. \$363,703 dollars). At December 31, 2006, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2006 was U.S. \$336,525 dollars).

Net resources provided by operations were Ps. 2,384 million in 2007 versus Ps. 2,434 million of net resources provided by operations in 2006. Net resources provided by financing activities were Ps. 2,292 million in 2007 (which amount includes the capital increase of Ps. 2,421 million in February 2007) versus Ps. 467 million of net resources used by financing activities in 2006. Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 484 million in 2007 versus net resources provided by investing activities (to acquire property, plant and equipment, other non-current assets and liabilities and proceeds for insurance claim) of Ps. 13 million in 2006.

Comparative fourth quarter 2007 vs third quarter 2007

### Net Sales

Net sales increased 2% from Ps. 5,737 million for the third quarter 2007 to Ps. 5,824 million for the fourth quarter 2007. Sales in tons of finished steel products increased 7% to 675 thousand tons in the fourth quarter 2007 compared with 635 thousand tons in the third quarter 2007. The total sales outside of Mexico for the fourth quarter 2007 increased 6% to Ps. 4,264 million compared with Ps. 4,038 million for the third quarter 2007. Total Mexican sales decreased from Ps. 1,699 million in the third quarter 2007 to Ps. 1,560 millions in the fourth quarter 2007. Prices of finished products sold in the fourth quarter 2007 decreased approximately 4% in real terms compared to the third quarter 2007.

### Direct Cost of Sales

Direct cost of sales increased 10% from Ps. 4,937 million in the third quarter 2007 to Ps. 5,436 million for the fourth quarter 2007. In the fourth quarter 2007, the direct cost of sales represented 93% of net sales compared to 86% for the third quarter 2007. The average cost of raw materials used to produce steel products increased 4% in real terms in the fourth quarter 2007 versus the third quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

### Gross Profit

Gross profit for the fourth quarter 2007 decreased 52% to Ps. 388 million compared to Ps. 800 million in the third quarter 2007. Gross profit as a percentage of net sales for the fourth quarter 2007 was 7% compared with 14% for the third quarter 2007. The decline in gross profit is due to the increase in the average cost of raw materials to produce steel products due to the reasons previously mentioned.

### Operating Expenses

Operating expenses were Ps. 352 million in the fourth quarter 2007 compared to Ps. 354 million for the third quarter 2007. As a percentage of sales, operating expense represented 6% during the fourth quarter of 2007 compared to 6% in the third quarter of 2007.

### Operating Profit

Operating profit decreased 92% from Ps. 446 million in the third quarter 2007 to Ps. 36 million for the fourth quarter 2007. Operating profit as a percentage of

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net sales decreased to 1% in the fourth quarter 2007 from 8% in the third quarter 2007. This was due to an increase of 4% in the average cost of raw materials.

### Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2007 represented an expense of Ps. 167 million compared with an income of Ps. 91 million for the third quarter 2007. Net interest income was Ps. 55 million in the fourth quarter 2007 compared with Ps. 93 million in the third quarter 2007, due to larger cash balances during this year partly reflecting our recent capital increase in February 2007. At the same time, we registered an exchange loss of Ps. 35 million in the fourth quarter 2007 compared with an exchange gain of Ps. 29 million in the third quarter 2007. Simec recorded a loss from monetary position of Ps. 187 million in the fourth quarter 2007 compared to a loss from monetary position of Ps. 31 million in the third quarter 2007.

### Other Expenses (Income) net

The company recorded other income net of Ps. 24 million for the fourth quarter 2007 compared with other income net of Ps. 27 million for the third quarter 2007.

### Income Tax

Income Tax for the fourth quarter 2007 decreased Ps. 119 million compared to a provision of Ps. 199 million for the third quarter 2007.

### Net Profit

As a result of the foregoing, net profit decreased by 55% to Ps. 163 million in the fourth quarter 2007 from Ps. 365 million in the third quarter 2007.

### Comparative fourth quarter 2007 vs. fourth quarter 2006

#### Net Sales

Net sales increased 19% from Ps. 4,898 million for the fourth quarter 2006 compared with Ps. 5,824 million for the same period 2007. Sales in tons of finished steel increased 9% to 675 thousand tons in the fourth quarter 2007 compared with 622 thousand tons in the same period 2006. The total sales outside of Mexico for the fourth quarter 2007 increased 52% to Ps. 4,264 million compared with Ps. 2,813 million for the same period 2006. Total Mexican sales decreased 25% to 1,560 million in the fourth quarter 2007 from Ps. 2,085 millions in the same period 2006. Prices of finished products sold in the fourth quarter 2007 increased approximately 10% in real terms compared to the fourth quarter 2006.

#### Direct Cost of Sales

Direct cost of sales increased 32% from Ps. 4,106 million in the fourth quarter 2006 to Ps. 5,436 million for the same period 2007. With respect to sales, in the fourth quarter 2007, the direct cost of sales represents 93% compared to 84% for the same period 2006. The average cost of raw materials used to produce steel products increased 22% in real terms in the fourth quarter 2007 versus the fourth quarter 2006, primarily as a result of increases in the price of scrap and certain other raw materials.

#### Gross Profit

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Gross profit for the fourth quarter 2007 decreased 51% to Ps. 388 million compared to Ps. 792 million in the same period 2006. The gross profit as a percentage of net sales for the fourth quarter 2007 was 7% compared with 16% for the same period of 2006. The decline in gross profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Operating Expenses

Operating expenses increased 12% to Ps. 352 million in the fourth quarter 2007 compared to Ps. 315 million for the same period 2006, the depreciation and amortization in the fourth quarter 2007 was Ps. 170 million compared to Ps. 119 million in the same period of 2006. Operating expenses as a percentage of net sales represented 6% during the fourth quarter 2007 compared to 6% of the same period 2006.

### Operating Profit

Operating profit decreased 92% from Ps. 477 million in the fourth quarter 2006 to Ps. 36 million for the same period 2007. The operating profit as a percentage of net sales in the fourth quarter 2007 was 1% compared to 10% in the same period 2006. The decline in operating profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2007 represented an expense of Ps. 167 million compared with an expense of Ps. 54 million for the fourth quarter 2006. Net interest income was Ps. 55 million in the fourth quarter 2007 compared with Ps. 17 million in the fourth quarter 2006, due to larger cash balances during 2007 partly reflecting our recent capital increase in February 2007. At the same time we registered an exchange loss of Ps. 35 million in the fourth quarter 2007 compared with an exchange loss of Ps. 20 million in the fourth quarter 2006 Simec recorded a loss from monetary position of Ps. 187 million in the fourth quarter 2007 compared to a loss from monetary position of Ps. 51 million in the fourth quarter 2006.

### Other Expenses (Income) net

The company recorded other income net of Ps. 24 million for the fourth quarter 2007 compared with other income net of Ps. 11 million for the same period 2006.

### Taxes and Profit Sharing

Taxes and profit sharing for the fourth quarter 2007 decreased to Ps. 119 million compared to Ps. 247 million for the same period 2006.

### Net Profit

As a result of the foregoing, Simec recorded loss profit of Ps. 36 million in the fourth quarter 2007 compared to net profit of Ps. 187 million in the fourth quarter 2006.

	Year ended December 31, 2007	Year ended December 31, 2006	2007 vs 2006
(Millions of pesos)			
Sales	24,106	23,515	3%
Cost of Sales	20,499	19,132	7%
Gross Profit	3,607	4,383	-18%
Operating Expenses	1,423	1,351	5%
Operating Profit	2,184	3,032	-28%

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EBITDA	2,733	3,481	-21%
Net Profit	1,625	2,399	-32%
Sales outside Mexico	17,031	15,939	7%
Sales in Mexico	7,075	7,576	-7%
Total sales (tons)	2,693	2,673	1%

(Millions of pesos)	4Q'07	3Q'07	4Q'06	4Q'07 vs 3Q'07	4Q'07 vs 4Q'06
Sales	5,824	5,737	4,898	2%	19%
Cost of Sales	5,436	4,937	4,106	10%	32%
Gross Profit	388	800	792	-52%	-51%
Operating Expenses	352	354	315	-1%	12%
Operating Profit	36	446	477	-92%	-92%
EBITDA	206	571	596	-64%	-65%
Net Profit	-36	365	187	-110%	-119%
Sales outside Mexico	4,264	4,038	2,813	6%	52%
Sales in Mexico	1,560	1,699	2,085	-8%	-25%
Total sales (tons)	675	635	622	6%	9%

	Thousands of tons year ended December	Millions of pesos year ended December	Average price per ton year ended December	Thousands of tons year ended December	Millions of pesos year ended December	Average price per ton year ended December
Product	31,2007	31,2007	31,2007	31,2006	31,2006	31,2006
SBQ	1,946	18,419	9,465	1,941	18,050	9,300
Light Structural	276	2,162	7,834	266	1,894	7,122
Structural	216	1,752	8,112	204	1,632	7,998
Rebar	250	1,703	6,810	260	1,909	7,343
Others	5	70	-	2	30	-
otal	2,693	24,106	8,951	2,673	23,515	8,797

Product	Thousands of tons 4Q'07	Millions of pesos 4Q'07	Average price per ton 4Q'07
SBQ	497	4,524	9,102
Light Structural	59	457	7,754
Structural	45	357	7,930
Rebar	70	456	6,510
Others	4	30	0
Total	675	5,824	8,629

Product	Thousands of tons 3Q'07	Millions of pesos 3Q'07	Average price per ton 3Q'07
SBQ	467	4,438	9,504
Light Structural	60	489	8,143
Structural	50	401	8,011
Rebar	58	388	6,694
Others	0	21	0
Total	635	5,737	9,035

Product	Thousands of tons 4Q'06	Millions of pesos 4Q'06	Average price per ton 4Q'06
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SBQ	459	3,685	8,029
Light Structural	51	371	7,270
Structural	52	434	8,339
Rebar	60	395	6,577
Others	0	13	0
Total	622	4,898	7,874

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: 4 YEAR: 2007

### FINANCIAL STATEMENT NOTES

AUDITED

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.B. 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 - The consolidated financial statements have been prepared in accordance with principles generally accepted in Mexico, which include the recognition of the effects of inflation on the financial information and the presentation in constant Mexican pesos.

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

The main subsidiaries of CSG are the following:

- o (degree) Compania Siderurgica de California, S.A. de C.V.
- o (degree) Industrias del Acero y del Alambre, S.A. de C.V.
- o (degree) Pacific Steel Inc.
- o (degree) 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



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equivalents include temporary investments and Mexican Government Treasury Bonds, and are stated at market value, which approximates cost plus earned interest. Any increase in market value is credited to operations for the period.

d. Inventories - The inventories are originally stated at average cost and subsequently adjusted to replacement value at the balance sheet date. The replacement values do not exceed market and are determined as follows:

Billet finished goods and work in process - At the latest production cost for the month.

Raw materials - According to purchase prices prevailing in the market at the balance sheet date.

Materials, supplies and rollers - At historical cost, restated by applying the steel industry inflation index.

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

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

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

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

f. Property, plant and equipment - Property, plant and equipment of domestic origin are restated by using factors derived from The National Consumer Price Index ("NCPI") from the date of their acquisition, and imported machinery and equipment are restated by applying devaluation and inflation factors of the country of origin. 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 capitalized amounts are restated using a factor derived from the NCPI cumulative from the date of capitalization through period-end and are amortized over the average depreciation period of the corresponding assets. The estimated useful lives of assets as of December 31, 2007 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

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Machinery and equipment (Republic)..... 5 to 20

g. Other assets - Organization and pre-operating expenses are capitalized and restated using a factor derived from the NCPI cumulative from the date of generation through period-end, and their amortization is calculated by the straight-line method over a period of 20 years.

h. Seniority premiums and severance payments - According to Federal Labor Law, employees are entitled to seniority premiums after fifteen years or more of services. These premiums are recognized as expenses in the years in which the services are rendered, using actuarial calculations based on the projected unit credit method, and since 1996 by applying real interest and salary increases.

Any other payments to which employees may be entitled in case of separation, disability or death, are charged to operations in the period in which they become payable.

i. Pension plan - Until 1995, the Company provided pension benefits for all personnel with a minimum of 10 years of service and 35 years of age. The Company had established an irrevocable trust for its contributions, which were based on actuarial calculations. In December 1995, the board of directors of the Company, in

agreement with the trade union, discontinued these benefits and related contributions to the trust fund. This decision was made because of the new Mexican pension fund system, Administradoras de Fondos para el Retiro, which establishes similar benefits for the employees. The balance of the trust fund will be applied to the retirement benefits of qualifying employees until the fund is exhausted due to the irrevocable status of the fund.

The Company does not have any contractual obligation regarding the payment of pensions of retirements.

j. Cost of sales - Cost of sales related to sales of inventory items is recorded at standard cost, which approximates the replacement cost at the date of sale.

k. Income tax and employee profit sharing - 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.

l. 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 subsidiaries abroad, SimRep and subsidiaries, Pacific Steel and Undershaft Investment, were translated into pesos in conformity with Mexican accounting Bulletin B-15, Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations.

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The subsidiary SimRep was considered as a foreign entity for translation purposes; therefore the financial statements as reported by the subsidiary abroad were adjusted to conform with Mexican GAAP, which includes the recognition of the effects of inflation as required by Mexican accounting Bulletin B-10, applying inflation adjustment factors derived from the U.S. Consumer Price Index (CPI) published by the U.S. labor department, The financial information already restated to include inflationary effects, is translated to Mexican pesos as follows:

-By applying the prevailing exchange rate at the consolidated balance sheet date for monetary and non-monetary assets and liabilities.

-By applying the prevailing exchange rate for stockholders' equity accounts, at the time capital contributions were made and earnings were generated.

-By applying the prevailing exchange rate at the consolidated balance sheet date for revenues and expenses during the reporting period.

-The related effect of translation is recorded in stockholders' equity under the caption Equity adjustments for non monetary assets.

-The resulting amounts were restated applying adjustment factors derived from the NCPI, in conformity with Mexican accounting Bulletin B-10.

The subsidiaries Pacific Steel and Undershaft Investment, were considered an "integral part of the operations" of the Company; and the financial statements of such subsidiaries were translated into Mexican pesos as follows:

By applying the prevailing exchange rate at the consolidated balance sheet date for monetary items. By applying the prevailing exchange rate at the time the non-monetary assets and capital are generated, and the weighted average exchange rate of the period for income statement items.

The related effect of translation is recorded in the statement of operations as part of the caption Comprehensive financing cost. The resulting amounts were restated applying adjustment factors derived from the Mexican NCPI, in conformity with Mexican accounting Bulletin B-10.

m. Geographic concentration of credit risk - The Company sells its products primarily to distributors for the construction industry with no specific geographic concentration. Additionally, no single customer accounted for a significant amount of the Company's sales, and there were no significant accounts receivable from a single customer or affiliate at December 31, 2007 and at December 31, 2007, direct sales to two customers accounted for approximately 10% and 16.6% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes and allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

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

o. Gain on monetary position - The gain on monetary position in the consolidated statements of income (loss) is determined by applying to net monetary assets or liabilities at the beginning of each month the factor of inflation derived from the NCPI and is restated at period-end with the corresponding factor.

p. Restatement of capital stock and retained earnings (losses) - This is determined by multiplying capital stock contributions and retained earnings (losses) by factors derived from the NCPI, which measure the cumulative

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inflation from the date when capital stock contributions were made and earnings (losses) were generated, through the latest period-end.

q. Effect of restatement of stockholders' equity - The effect resulting from restating stockholders' equity includes the accumulated effect from holding non-monetary assets, which represents the change in the specific price level of those assets compared to the change in the NCPI.

### (2) Financial Debt:

At December 31, 2007 Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2007 was U.S. \$363,703 dollars. At December 31, 2006, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2006 was U.S. \$336,525 dollars.

### (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. 14,727 (U.S. \$1,355,297) at December 31, 2007, (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: IMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

### RELATIONS OF SHARES INVESTMENTS

AUDITED

CONSOLIDATED

COMPANY NAME	MAIN ACTIVITIES	NUMBER OF SHARES
-----		
SUBSIDIARIES		
-----		
Cia siderurgica de Guadalajara	Production of steel products	
-----		
Simec International	Production and sales of steel products	
-----		
Arrendadora Simec	Production and sales of steel products	
-----		

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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	

NOTES

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

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CREDITS BREAK DOWN  
(THOUSANDS OF MEXICAN PESOS)

AUDITED

CONSOLIDATED

Credit Type / Institution	Amortization Date	Rate of Interest	Denominated in Pesos (Thousands of Pesos)					Denominated	
			Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years or More	Current Year
BANKS									
With Warranty			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	0
TOTAL STOCK EXCHANGE			0	0	0	0	0	0	0
SUPPLIERS									

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Various	0 261,280	0	0	0	0	0	1,84
TOTAL SUPPLIERS	0 261,280	0	0	0	0	0	1,84
OTHER LOANS WITH COST							
TOTAL	0	0	0	0	0	0	0
OTHER CURRENT LIABILITIES WITHOUT COST							
Various	0 177,936	0	0	0	0	0	50
TOTAL	0 177,936	0	0	0	0	0	50
TOTAL	0 439,216	0	0	0	0	0	2,34

NOTES: The exchange rate of the peso to the U.S. Dollar at December 31, 2007 was Ps. 10.8662

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

MONETARY FOREIGN CURRENCY POSITION  
(Thousands of Mexican Pesos)

AUDITED

FOREING CURRENCY POSITION	DOLLARS		OTHER CURRENCIE	
	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS	THOUS P
TOTAL ASSETS	758,115	8,237,831	0	

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LIABILITIES POSITION	216,080	2,347,980	34	3
SHORT TERM LIABILITIES POSITION	216,080	2,347,980	34	3
LONG TERM LIABILITIES POSITION	0	0	0	
NET BALANCE	542,035	5,889,851	(34)	(3)

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT DECEMBER 31, 2007 WAS  
PS. 10.8662

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 4 YEAR:2007

RESULT FROM MONETARY POSITION  
(Thousands of Mexican Pesos)

AUDITED

MONTH	MONETARY ASSETS	MONETARY LIABILITIES	ASSET (LIABILITY) MONETARY POSITION	MONTH
JANUARY	3,373,099	2,186,629	(1,186,470)	
FEBRUARY	3,663,966	1,510,290	(2,153,676)	
MARCH	6,158,413	1,425,766	(4,732,647)	
APRIL	6,425,075	2,204,991	(4,220,084)	
MAY	6,574,516	2,249,298	(4,325,218)	
JUNE	6,644,573	2,526,523	(4,118,050)	
JULY	6,889,513	2,504,376	(4,385,138)	
AUGUST	7,229,951	2,471,374	(4,758,577)	
SEPTEMBER	7,449,185	2,522,922	(4,926,263)	
OCTOBER	7,414,411	2,505,795	(4,908,616)	
NOVEMBER	7,512,548	3,290,602	(4,221,946)	



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-----  
DECEMBER 7,850,262 3,104,608 (4,745,654)  
-----

RESTATEMENT  
-----

CAPITALIZATION  
-----

FOREIGN CORPOPATION  
-----

OTHER  
-----

TOTAL  
-----  
-----

OTHER CONCEPTS:  
-----

CAPITALIZED RESULT FOR MONETARY POSITION  
-----

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

DEBT INSTRUMENTS

AUDITED

CONSOLIDATED

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

MEDIUM TERM NOTES

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

This notes was offered in the international market.

ACTUAL SITUATION OF FINANCIAL LIMITED

MEDIUM TERM NOTES

- A) Accomplished the actual situation is 5.05 times.
- B) Accomplished the actual situation is 0.24
- C) Accomplished the actual situation is 111.18

As of December 31, 2007, the remaining balance of the MTNs not exchanged amounts to Ps. 3,282 (\$302,000 dollars).

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C.P. Jose Flores Flores  
Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

AUDITED

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CAPACITY
GUADALAJARA MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	480
MEXICALI MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	250
INDUSTRIAS DEL ACERO Y DEL ALAMBRE	SALE OF STEEL PRODUCTS	0
APIZACO AND CHOLULA PLANTS	PRODUCTION AND SALES OF STEEL PRODUCTS	460
CANTON CASTER FACILITY	PRODUCTION OF BILLET	1,380
LORAIN CASTER FACILITY	PRODUCTION OF BILLET	1,150
LORAIN HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	840
LACKAWANNA HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	600
MASSILLON COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	125
GARY COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	70
ONTARIO COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	60

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

MAIN RAW MATERIALS

AUDITED

DOMESTIC

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

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

AUDITED	DOMESTIC SELLS			
	MAIN PRODUCTS	NET SALES		MAIN DESTINATION
		VOLUME	AMOUNT	TRADEMARKS
STRUCTURAL PROFILES		188	1,528,851	
COMMERCIAL PROFILES		81	618,226	
REBAR		168	1,155,065	
FLAT BAR		162	1,285,627	
STEEL BARS		299	2,417,309	
OTHER		2	57,797	
BILLET		3	12,392	
HOT-ROLLED BARS				
COLD-FINISHED BARS				
SEMI-FINISHED SEAMLESS TUBE ROUNDS				

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OTHER SEMI-FINISHED TRADE PRODUCTS

T O T A L 7,075,267

FOREIGN SALES 17,030,827

TOTAL 24,106,094

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

AUDITED

FOREIGN SELLS

MAIN PRODUCTS	NET SELLS		TRADEMARKS
	VOLUME	AMOUNT	
EXPORTS			
STRUCTURAL PROFILES	28	223,417	
COMMERCIAL PROFILES	26	199,355	
REBAR	82	547,494	
STEEL BARS	36	298,349	
FLAT BAR	7	58,956	
BILLET	0	0	
FOREIGN SUBSIDIARIES			
HOT-ROLLED BARS	920	9,577,814	
COLD-FINISHED BARS	149	2,101,196	
SEMI-FINISHED SEAMLESS TUBE ROUNDS	216	1,642,198	
OTHER SEMI-FINISHED TRADE PRODUCTS	326	2,382,048	
T O T A L		17,030,827	

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

QUARTER:4 YEAR: 2007

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK  
CHARACTERISTICS OF THE SHARES

AUDITED

SERIES	NOMINAL VALUE	VALID CUPON	NUMBER OF SHARES		
			FIXED PORTION	VARIABLE PORTION	MEXICAN FREE SUSCRIPTION
B			90,850,050	383,771,561	0
TOTAL			90,850,050	383,771,561	0

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF  
SENDING THE INFORMATION: 474,621,611

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

CONSTRUCTION IN PROGRESS

CONSOLIDATED

AUDITED

THE PROJECTS IN PROGRESS AT DECEMBER 31, 2007, ARE:

PROJECTS IN PROGRESS	TOTAL INVESTMENT
PROJECTS IN REPUBLIC	86,521
PROJECTS IN MEXICALI	88,236
PROJECTS IN TLAXCALA	4,193
PROJECTS IN GUADALAJARA	14,555
TOTAL INVESTMENT AT DECEMBER 31, 2007	193,505 =====

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

INFORMATION RELATED TO BULLETIN B-15  
(FOREIGN CURRENCY TRANSLATION)

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).

The financial statements of foreign subsidiaries are translated into Mexican pesos in conformity with Bulletin B-15 "Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations".

Pacific Steel and Undershaft investments are considered to be "integrated foreign operations", as defined in Bulletin B-15, and accordingly such financial statements were translated as follows:

- Monetary items at the exchange rate at the balance sheet date.
- Non-monetary items and stockholders' equity at the exchange rate prevailing at the date the transactions occurred.
- Income and expense items at an appropriate average exchange rate.
- The resulting foreign currency translation differences are included in the financial income (expense) in the statement of income (loss).
- All resulting Mexican peso amounts are restated for the effects of inflation in accordance with the dispositions of Bulletin B-10 using the NCPI, where such effects are considered significant.

SimRep and subsidiaries are considered to be "foreign operations", as defined in Bulletin B-15, and accordingly such financial statements were translated as follows:

- Monetary and non-monetary items at the exchange rate at the balance sheet date.
- Income and expense items at the exchange rate at the balance sheet date.
- The resulting foreign currency translation differences are included in the stockholders' equity.
- All resulting Mexican peso amounts are restated for the effects of inflation in accordance with the dispositions of Bulletin B-10 using the NCPI, where such effects are considered significant.

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:4 YEAR: 2007

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 FOURTH QUARTER REPORT.

ING LUIS GARCIA LIMON  
CHIEF EXECUTIVE OFFICER

C.P. JOSE FLORES FLORES  
CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT MAY 5 OF 2008.