GROUP SIMEC SA DE CV
Form 6-K
July 23, 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 July , 2008.

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 |X| 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 |X|

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 |X|

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 |X|

(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: July 22, 2008.

By: /s/ Luis Garcia Limon

Name: Luis Garcia Limon
Title: Chief Executive Officer

[LOGO] GRUPO SIMEC

PRESS RELEASE

Contact: Sergio Vigil Gonzalez
Jose Flores Flores
Grupo Simec, S.A. de C.V.
Calzada Lazaro Cardenas 601
44440 Guadalajara, Jalisco, Mexico
52 55 1165 1025
52 33 3770 6734

GRUPO SIMEC ANNOUNCES RESULTS OF OPERATIONS FOR THE FIRST SIX MONTHS OF 2008

GUADALAJARA, MEXICO, July 21, 2008- Grupo Simec, S.A.B. de C.V. (AMEX-SIM) ("Simec") announced today its results of operations for the six-month period ended June 30, 2008.

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 such acquisition was consummated. 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 it 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 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.

Six-Month Period Ended June 30, 2008 compared to Six-Month Period Ended June 30, 2007

Net Sales

Net sales increased 36% to Ps. 17,035 million in the six-month period ended June 30, 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 513 million) compared to Ps. 12,557 million in the same period of 2007. Shipments of finished steel products increased 13% to 1 million 562 thousand tons in the six-month period ended June 30, 2008 (including the net sales generated by the newly acquired plants of Grupo San of 44 thousand tons) compared to 1 million 383 thousand tons in the same period of 2007. Total sales outside of Mexico in the six-month period ended June 30, 2008 increased 39% to Ps. 12,172 million (including the net sales generated by the newly acquired plants of Grupo San of Ps. 37 million) compared with Ps. 8,737 million in the same period of 2007, while total Mexican sales increased 27% from Ps. 3,820 million in the six-month period ended June 30, 2007 to Ps. 4,863 million in the same period of 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 476 million). The increase in sales can be explained due to higher shipments during the six-month period ended June 30, 2008, compared with the same period in 2007 (179,000 tons increase) and 20% increase in the average price of steel products.

Direct Cost of Sales

Direct cost of sales increased 36% from Ps. 10,136 million in the six-month period ended June 30, 2007 to Ps. 13,744 million in the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 308 million). Direct cost of sales as a percentage of net sales represented at 81% in the six-month period ended June 30, 2008 compared to 81% in the same period of 2007. The increase in the Direct Cost of Sales is attributable mainly to an increase of 20% in the average cost of raw materials used to produce steel products in the six-month period ended June 30, 2008 versus the same period of 2007, primarily as a result of increases in the price of scrap and certain other raw materials; as well as 13% increase in shipments.

Gross Profit

Gross profit in the six-month period ended June 30, 2008 was Ps. 3,291 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 205 million) compared to Ps. 2,421 million in the same period of 2007. Gross profit as a percentage of net sales in the six-month period ended June 30, 2008 was 19% compared to 19% in the same period of 2007. This was principally due to an increase of 13% in sales volume.

Operating Expenses

Operating expenses increased 11% to Ps. 794 million in the six-month period ended June 30, 2008 (including the operating expenses by the newly acquired plants of Grupo San of Ps. 53 million) compared to Ps. 718 million in the same period of 2007 and represented 5% of net sales in the six-month period ended June 30, 2008 and 6% of net sales in the same period of 2007.

Operating Profit

Operating profit increased 47% to Ps. 2,497 million in the six-month period ended June 30, 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 152 million) compared to Ps. 1,703 million in the same period of 2007. Operating profit as a percentage of net sales was 15% in the six-month period ended June 30, 2008 compared to 14% in the same period of 2007.

The increase in the operating profit was due principally to an increaset of 13% in sales volume.

Comprehensive Financial Cost

Comprehensive financial cost in the six-month period ended June 30, 2008 represented an expense of Ps. 258 million compared with a gain of Ps. 117 million in the same period of 2007. Net interest income was Ps. 93 million in the six-month period ended June 30, 2008 compared with Ps. 124 million in the same period of 2007, reflecting the use of cash and debt for the acquisition of Grupo San. At the same time, we registered an exchange loss of Ps. 351 million in the six-month period ended June 30, 2008 compared with an exchange loss of Ps. 31 million in the same period of 2007, reflecting a 5.7% increase in the value of the peso versus the dollar at June 30, 2008 compared to December 31, 2007.

Other Expenses (Income) net

The company recorded other income Net of Ps. 4 million in the six-month period ended June 30, 2008 compared to other income net for Ps. 18 million in the same period of 2007.

Income Taxes

Income Taxes recorded Ps. 726 million in the six-month period ended June 30, 2008 compared to Ps. 542 million in the same period of 2007.

Net Profit

As a result of the foregoing, net profit increased by 17% to Ps. 1,517 million in the six-month period ended June 30, 2008 from Ps. 1,296 million in the same period of 2007.

Liquidity and Capital Resources

At June 30, 2008, Simec's total consolidated debt consisted of U.S. $90.3 million; U.S. $90 million is a credit bank and U.S. $302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at June 30, 2008 was U.S. $377,257 dollars). 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).

Net resources provided by operations were Ps. 1,065 million in the six-month period ended June 30, 2008 versus Ps. 1,159 million of net resources provided by operations in the same period of 2007. Net resources provided by financing activities were Ps. 2,117 million in the six-month period ended June 30, 2008 versus Ps. 2,410 million of net resources used by financing activities in the same period 2007 (which amount includes the capital increase of Ps. 2,420 million in February 2007). Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 8,895 million in the six-month period ended June 30, 2008 (which amount includes Ps. 8,437 million used in the acquisition of Grupo San) versus net resources used in investing activities (to acquire property, plant and equipment and other non-current assets and liabilities) of Ps. 350 million in 2007.

Comparative second quarter 2008 vs. first quarter 2008

Net Sales

Net sales increased 34% from Ps. 7,288 million for the first quarter 2008 to Ps. 9,746 million for the second quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 513 million). Sales in tons of finished steel increased 10% to 817 thousand tons in the second quarter 2008 compared with 745 thousand tons in the first quarter 2008. The total sales outside of Mexico for the second quarter 2008 increased 24% to Ps. 6,749 million compared with Ps. 5,423 million for the first quarter 2008. Total Mexican sales increased 61% to Ps. 2,997 million in the second quarter 2008 from Ps. 1,865 million in the first quarter 2008. Prices of finished products sold in the second quarter 2008 increased approximately 22% compared to the first quarter 2008.

Direct Cost of Sales

Direct cost of sales increased 27% from Ps. 6,050 million in the first quarter 2008 to Ps. 7,693 million for the second quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 308 million). With respect to sales, in the second quarter 2008, the direct cost of sales represents 79% compared to 83% for the first quarter 2008. The average cost of raw materials used to produce steel products increased 14%

in the second quarter 2008 versus the first quarter 2008, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the second quarter 2008 increased 66% to Ps. 2,053 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 205 million) compared to Ps. 1,238 million in the first quarter 2008. The gross profit as a percentage of net sales for the second quarter 2008 was 21% compared with 17% for the first quarter 2008. The increase in gross profit was principally due to the increase in sales volume.

Operating Expenses

Operating expenses increased 21% to Ps. 434 million in the second quarter 2008 (including the operating expenses by the newly acquired plants of Grupo San of Ps. 53 million) compared to Ps. 360 million for the first quarter 2008. Operating expenses as a percentage of net sales represented 4% during the second quarter 2008 compared to 5% in the first quarter 2008.

Operating Profit

Operating profit increased 84% from Ps. 878 million in the first quarter 2008 to Ps. 1,619 million for the second quarter 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 152 million). The operating profit as a percentage of net sales in the second quarter 2008 was 17% compared to 12% in the first quarter 2008. The increase in operating profit is due to the increase in tons shipped.

Comprehensive Financial Cost

Comprehensive financial cost for the second quarter 2008 represented an expense of Ps. 197 million compared with an expense of Ps. 62 million for the first quarter 2008. Net interest income was Ps. 37 million in the second quarter 2008 compared with Ps. 55 million of net interest income in the first quarter 2008. At the same time, we registered an exchange loss of Ps. 234 million in the second quarter 2008 compared with an exchange loss of Ps. 117 million in the first quarter 2007.

Other Expenses (Income) net

The company recorded other expense net for Ps. 2 million in the second quarter 2008 compared with other income net for Ps. 5 million for the first quarter 2008.

Income Taxes

Income Taxes for the second quarter 2008 was an expense of Ps. 495 million compared to Ps. 230 million of expense for the first quarter 2008.

Net Profit

As a result of the foregoing, net profit was Ps. 925 million in the second quarter 2008 compared to Ps. 592 million of net profit in the first quarter 2008.

Comparative second quarter 2008 vs. second quarter 2007

Net Sales

Net sales increased 55% from Ps. 6,287 million for the second quarter 2007 compared with Ps. 9,746 million for the same period 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 513 million). Sales in tons of finished steel increased 20% to 817 thousand tons in the second quarter 2008 compared with 679 thousand tons in the same period 2007. The total sales outside of Mexico for the second quarter 2008 increased 55% to Ps. 6,749 million compared with Ps. 4,353 million for the same period 2007. Total Mexican sales increased 55% to Ps. 2,997 million in the second quarter 2008 from Ps. 1,934 millions in the same period

2007. Prices of finished products sold in the second quarter 2008 increased approximately 29% compared to the second quarter 2007.

Direct Cost of Sales

Direct cost of sales increased 50% from Ps. 5,114 million in the second quarter 2007 to Ps. 7,693 million for the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 308 million). With respect to sales, in the second quarter 2008, the direct cost of sales represents 79% compared to 81% for the same period 2007. The average cost of raw materials used to produce steel products increased 25% in the second quarter 2008 versus the second quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the second quarter 2008 increased 75% to Ps. 2,053 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 205 million) compared to Ps. 1,173 million in the same period 2007. The gross profit as a percentage of net sales for the second quarter 2008 was 21% compared with 19% for the same period 2007. The increase in gross profit is due to the increase in tons shipped.

Operating Expenses

Operating expenses increased 23% to Ps. 434 million in the second quarter 2008 (including the operating expenses by the newly acquired plants of Grupo San of

Ps. 53 million) compared to Ps. 352 million for the same period 2007. Operating expenses as a percentage of net sales represented 4% during the second quarter 2008 compared to 6% of the same period 2007.

Operating Profit

Operating profit increased 97% from Ps. 821 million in the second quarter 2007 to Ps. 1,619 million for the same period 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 152 million). The operating profit as a percentage of net sales in the second quarter 2008 was 17% compared to 13% in the same period 2007. The increase in operating profit is due to the increase in the prices of finished products sold due to the reasons previously mentioned.

Comprehensive Financial Cost

Comprehensive financial cost for the second quarter 2008 represented an expense of Ps. 197 million compared with a gain of Ps. 39 million for the second quarter 2007. Net interest income was Ps. 37 million in the second quarter 2008 compared with Ps. 82 million in the second quarter 2007. At the same time, we registered an exchange loss of Ps. 234 million in the second quarter 2008 compared with an exchange loss of Ps. 95 million in the second quarter 2007.

Other Expenses (Income) net

The company recorded other expenses net for Ps. 2 million for the second quarter 2008 compared with other expenses net for Ps. 9 million for the same period 2007.

Taxes and Profit Sharing

Taxes and profit sharing for the second quarter 2008 increased to Ps. 495 million compared to Ps. 304 million for the same period 2007.

Net Profit

As a result of the foregoing, net profit increased by 69% to Ps. 925 million in the second quarter 2008 from Ps. 547 million in the second quarter 2007.

Million of pesos	Six months ended June 30, 2008	Six months ended June 30, 2007	2008 vs. 2007
Sales	17,035	12,557	36%
Cost of Sales	13,744	10,136	36%
Gross Profit	3,291	2,421	36%
Operating Expenses	794	718	11%
Operating Profit	2,497	1,703	47%
EBITDA	2,763	1,958	41%
Net Profit	1,517	1,296	17%
Sales outside Mexico	12,172	8,737	39%

Sales in Mexico	4,863	3,820	27%
Total sales (tons)	1,562	1,383	13%

(Million of pesos)	2Q08	1Q08	2Q07	2Q08 vs. 1Q08	2Q
Sales	9,746	7,288	6,287	34%	
Cost of Sales	7,693	6,050	5,114	27%	
Gross Profit	2,053	1,238	1,173	66%	
Operating Expenses	434	360	352	21%	
Operating Profit	1,619	878	821	84%	
EBITDA	1,755	1,008	949	74%	
Net Profit	925	592	547	56%	
Sales outside Mexico	6,749	5,423	4,353	24%	
Sales in Mexico	2,997	1,865	1,934	61%	
Total sales (tons)	817	745	679	10%	

Product	Thousands of tons six months ended June 30, 2008	Million of pesos six months ended June 30,	Average price per ton six months ended June 30, 2008	Thousands of tons six months ended June 30, 2007	Million of pesos six months ended June 30, 2007
SBQ	1,144	12,873	11,253	982	9,466
Light Structural	101	966	9,564	157	1,217
Structural	110	1,120	10,182	121	996
Rebar	194	1,875	9,665	122	860
Others	13	201	-	1	18
Total	1,562	17,035	10,906	1,383	12,557

Product	Thousands of tons 2Q08	Million of pesos 2Q08	Average price per ton 2Q08	Thousands of tons 1Q08	Million of pesos 1Q08	Average price per ton 1Q08	Thousa of tons 2Q07
SBQ	579	7,124	12,304	565	5,749	10,175	466
Light Structural	47	512	10,894	54	453	8,389	95
Structural	55	616	11,200	55	504	9,164	60
Rebar	124	1,325	10,685	70	550	7,857	57
Others	12	169	-	1	32	-	1
Total	817	9,746	11,929	745	7,288	9,783	679

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT
AT JUNE 30 OF 2008 AND 2007
(thousands of Mexican pesos)

REF S	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
s01	TOTAL ASSETS	29,319,233	100
s02	CURRENT ASSETS	12,731,537	43
s03	CASH AND SHORT-TERM INVESTMENTS	682,959	2
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	4,581,721	16
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	485,979	2
s06	INVENTORIES	6,740,789	23

s07 OTHER CURRENT ASSETS	240,089	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)	9,413,206	32
s13 LAND AND BUILDINGS	3,391,380	12
s14 MACHINERY AND INDUSTRIAL EQUIPMENT	11,877,755	41
s15 OTHER EQUIPMENT	230,955	1
s16 ACCUMULATED DEPRECIATION	6,390,553	22
s17 CONSTRUCTION IN PROGRESS	303,669	1
s18 OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,071,947	24
s19 OTHER ASSETS	102,543	0
s20 TOTAL LIABILITIES	9,647,944	100
s21 CURRENT LIABILITIES	6,080,054	63
s22 SUPPLIERS	3,623,360	38
s23 BANK LOANS	925,569	10
s24 STOCK MARKET LOANS	3,106	0
s103 OTHER LOANS WITH COST	0	0
s25 TAXES PAYABLE	657,482	7
s26 OTHER CURRENT LIABILITIES WITHOUT COST	870,537	9
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	3,567,890,	37

s33	CONSOLIDATED STOCKHOLDERS' EQUITY	19,671,289	100
s34	MINORITY INTEREST	2,653,495	13
s35	MAJORITY INTEREST	17,017,794	87
s36	CONTRIBUTED CAPITAL	8,350,900	42
S79	CAPITAL STOCK	4,030,427	20
s39	PREMIUM ON ISSUANCE OF SHARES	3,151,317	16
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	1,169,156	6
s41	EARNED CAPITAL	8,666,894	44
s42	RETAINED EARNINGS AND CAPITAL RESERVES	9,807,191	50
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(1,140,297)	(6)
s80	SHARES REPURCHASED	0	0

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
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	682,959	100
s46	CASH	477,752	70
s47	SHORT-TERM INVESTMENTS	205,207	30
s07	OTHER CURRENT ASSETS	240,089	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s82	DISCONTINUED OPERATIONS	0	0
s83	OTHER	240,089	100

s18 OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	7,071,947	100
s48 DEFERRED EXPENSES	281,730	4
s49 GOODWILL	6,688,578	95
s51 OTHER	101,639	1
s19 OTHER ASSETS	102,543	100
s84 INTANGIBLE ASSET FROM LABOR OBLIGATIONS	0	5
s85 DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s50 DEFERRED TAXES	0	0
s86 DISCONTINUED OPERATIONS	0	0
s87 OTHER	102,543	100
s21 CURRENT LIABILITIES	6,080,054	100
s52 FOREIGN CURRENCY LIABILITIES	1,876,180	31
s53 MEXICAN PESOS LIABILITIES	4,203,874	69
s26 OTHER CURRENT LIABILITIES WITHOUT COST	870,537	100
s88 DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s89 INTEREST LIABILITIES	3,880	0
s68 PROVISIONS	0	0
s90 DISCONTINUED OPERATIONS	0	0
s58 OTHER CURRENT LIABILITIES	866,657	100
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	3,567,890	100
s66 DEFERRED TAXES	3,395,141	95
s91 OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	113,268	3
s92 DISCONTINUED OPERATIONS	0	0
s69 OTHER LIABILITIES	59,481	2
s79 CAPITAL STOCK	4,030,427	100
s37 CAPITAL STOCK (NOMINAL)	2,308,106	57
s69 RESTATEMENT OF CAPITAL STOCK	1,722,321	43

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
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	%
s42	RETAINED EARNINGS AND CAPITAL RESERVES	9,807,191	100
s93	LEGAL RESERVE	0	0
s43	RESERVE FOR REPURCHASE OF SHARES	200,612	2
s94	OTHER RESERVES	0	0
s95	RETAINED EARNINGS	8,481,722	86
s45	NET INCOME FOR THE YEAR	1,124,857	11
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(1,140,297)	100
s70	ACCUMULATED MONETARY RESULT	0	0

s71	RESULT FROM HOLDING NON-MONETARY ASSETS	0	0
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	(169,784)	15
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	0	0
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	(970,513)	85
s99	LABOR OBLIGATION ADJUSTMENT	0	0
s100	OTHER	0	0

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR:2008
GRUPO SIMEC, S.A. DE C.V.

BALANCE SHEETS
OTHER CONCEPTS
(thousands of Mexican pesos)

REF S	CONCEPTS	CURRENT YEAR
		AMOUNT
S72	WORKING CAPITAL	6,651,483
S73	PENSIONS FUND AND SENIORITY PREMIUMS	98,990
S74	EXECUTIVES (*)	60
S75	EMPLOYERS (*)	2,077
S76	WORKERS (*)	3,855
S77	COMMON SHARES (*)	474,621,611
S78	REPURCHASED SHARES (*)	0
S101	RESTRICTED CASH	0
S102	NET DEBT OF NON CONSOLIDATED COMPANIES	0

(*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR:2008
GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF INCOME
FROM JANUARY 1 TO JUNE 30 OF 2008 AND 2007
(thousands of Mexican pesos)

REF R	CATEGORIES	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	17,034,660	100
r02	COST OF SALES	13,743,665	81
r03	GROSS PROFIT	3,290,995	19
r04	OPERATING EXPENSES	793,922	5
r05	OPERATING INCOME	2,497,073	15
r08	OTHER INCOME AND (EXPENSE), NET	3,970	0
r06	COMPREHENSIVE FINANCING RESULT	(258,458)	(2)
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	2,242,585	13
r10	INCOME TAXES	725,611	4
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	1,516,974	9
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	1,516,974	9
r19	NET INCOME OF MINORITY INTEREST	392,117	2
r20	NET INCOME OF MAJORITY INTEREST	1,124,857	7

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	17,034,660	100
r21	DOMESTIC	4,862,354	29
r22	FOREIGN	12,172,306	71
r23	TRANSLATED INTO DOLLARS (***)	1,152,841	
r08	OTHER INCOME AND (EXPENSE), NET	3,970	100
r49	OTHER INCOME AND (EXPENSE), NET	14,685	370
r34	EMPLOYEES' PROFIT SHARING EXPENSES	10,715	270
r35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0
r06	COMPREHENSIVE FINANCING RESULT	(258,458)	100
r24	INTEREST EXPENSE	14,280	(6)
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
r45	OTHER FINANCE COSTS	0	0
r26	INTEREST INCOME	106,609	(41)
r46	OTHER FINANCIAL PRODUCTS	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS), NET	(350,787)	136
r28	RESULT FROM MONETARY POSITION	0	0
r10	INCOME TAXES	725,611	100
r32	INCOME TAX	383,276	53
r33	DEFERRED INCOME TAX	342,335	47

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF INCOME
OTHER CONCEPTS
(thousands of Mexican pesos)

REF R	CONCEPTS	CURRENT YEAR AMOUNT
r36	TOTAL SALES	17,271,602
r37	TAX RESULT FOR THE YEAR	0
r38	NET SALES (**)	28,583,872
r39	OPERATION INCOME (**)	3,077,882
r40	NET INCOME OF MAJORITY INTEREST (**)	1,678,350
r41	NET CONSOLIDATED INCOME (**)	1,946,380
r47	OPERATIVE DEPRECIATION AND AMORTIZATION	266,162

(**) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

QUARTERLY STATEMENTS OF INCOME
FROM APRIL 1 TO JUNE 30 OF 2008 AND 2007
(thousands of Mexican pesos)

REF R	CATEGORIES	CURRENT YEAR	
		AMOUNT	%
r01	NET SALES	9,746,693	100
r02	COST OF SALES	7,693,302	79
r03	GROSS PROFIT	2,053,391	21
r04	OPERATING EXPENSES	434,548	4
r05	OPERATING INCOME	1,618,843	17
r08	OTHER INCOME AND (EXPENSE), NET	(1,729)	0
r06	COMPREHENSIVE FINANCING RESULT	(196,599)	(2)
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0
r48	NON ORDINARY ITEMS	0	0
r09	INCOME BEFORE INCOME TAXES	1,420,515	15
r10	INCOME TAXES	495,431	5
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	925,084	9
r14	DISCONTINUED OPERATIONS	0	0
r18	NET CONSOLIDATED INCOME	925,084	9
r19	NET INCOME OF MINORITY INTEREST	273,100	3
r20	NET INCOME OF MAJORITY INTEREST	651,984	7

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF R	CONCEPTS	CURRENT YEAR	
		AMOUNT	%

rt01 NET SALES	9,746,693	100
rt21 DOMESTIC	2,997,397	31
rt22 FOREIGN	6,749,296	69
rt23 TRANSLATED INTO DOLLARS (***)	646,224	

rt08 OTHER INCOME AND (EXPENSE), NET	(1,729)	100
rt49 OTHER INCOME AND (EXPENSE), NET	8,986	(520)
rt34 EMPLOYEES' PROFIT SHARING EXPENSES	10,715	(620)
rt35 DEFERRED EMPLOYEES' PROFIT SHARING	0	0

rt06 COMPREHENSIVE FINANCING RESULT	(196,599)	100
rt24 INTEREST EXPENSE	9,232	(5)
rt42 GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0
rt45 OTHER FINANCE COSTS	0	0
rt26 INTEREST INCOME	46,187	(23)
rt46 OTHER FINANCIAL PRODUCTS	0	0
rt25 FOREIGN EXCHANGE GAIN (LOSS), NET	(233,554)	119
rt28 RESULT FROM MONETARY POSITION	0	0

rt10 INCOME TAXES	495,431	100
rt32 INCOME TAX	263,441	53
rt33 DEFERRED INCOME TAX	231,990	47

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF RT	CONCEPTS	CURR
		A
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	13

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FROM JANUARY 1 TO JUNE 30 OF 2008 AND 2007
(thousands of pesos)

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
c01	CONSOLIDATED NET INCOME	1,516,974
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	760,758
c03	RESOURCES FROM NET INCOME FOR THE YEAR	2,277,732
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,213,098)
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	1,064,634
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	947,556
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,169,156
c08	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	2,116,712
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(8,894,542)
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(5,713,196)
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	6,396,155

c12	CASH AND SHORT TERM INVESTMENTS AT THE END OF PERIOD	682,959

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH	760,758
c13	DEPRECIATION AND AMORTIZATION FOR THE YEAR	266,162
c41	+ (-) OTHER ITEMS	494,596
c04	RESOURCES PROVIDED OR USED IN OPERATION	(1,213,098)
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(1,707,977)
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	(1,163,022)
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	181,340
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	1,273,403
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	203,158
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	947,556
c23	+ BANK FINANCING	1,234,092
c24	+ STOCK MARKET FINANCING	(176)
c25	+ DIVIDEND RECEIVED	0
c26	OTHER FINANCING	0
c27	BANK FINANCING AMORTIZATION	(308,523)

c28	(-) STOCK MARKET FINANCING AMORTIZATION	0
c29	(-) OTHER FINANCING AMORTIZATION	0
c42	+ (-) OTHER ITEMS	22,163

C07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	1,169,156
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	0
c31	(-) DIVIDENDS PAID	0
c32	+ PREMIUM ON ISSUANCE OF SHARES	0
c33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	1,169,156
c43	+ (-) OTHER ITEMS	0

c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	(8,894,542)
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	(8,437,170)
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(192,059)
c36	(-) INCREASE IN CONSTRUCTION PROGRESS	0
c37	+ SALE OF OTHER PERMANENT INVESTMENTS	0
c38	+ SALE OF TANGIBLE FIXED ASSETS	0
c39	+ (-) OTHER ITEMS	(265,313)

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

STATE OF CASH FLOW (INDIRECT METHOD)
FROM JANUARY 1 TO JUNE 30 OF 2008 AND 2007
(thousands of pesos)

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT

	ACTIVITIES OF OPERATION	
e01	INCOME (LOSS) BEFORE INCOME TAXES	2,242,585
e02	+ (-) ITEMS NOT REQUIRING CASH	152,261
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	159,553
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	14,280
e05	CASH FLOW BEFORE INCOME TAX	2,568,679
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(1,596,374)
e07	CASH FLOW PROVIDED OF OPERATING ACTIVITIES	972,305
	INVESTMENT ACTIVITIES	
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(8,522,620)
e09	CASH FLOW AFTER INVESTING ACTIVITIES	(7,550,315)
	FINANCING ACTIVITIES	
e10	NET CASH FROM FINANCING ACTIVITIES	2,102,432
e11	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,447,883)
e12	TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS	(265,313)
e13	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	6,396,155
e14	CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	682,959

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

REF C	CONCEPTS	CURRENT YEAR
		AMOUNT
e02	+ (-) ITEMS NOT REQUIRING CASH	152,261

e15	+ ESTIMATES FOR THE PERIOD	0
e16	+ PROVISIONS FOR THE PERIOD	152,261
e17	+ (-) OTHER UNREALIZED ITEMS	0
e03	+ (-) ITEMS RELATED TO INVESTING ACTIVITIES	159,553
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	266,162
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	(106,609)
e24	(-) + OTHER ITEMS	0
e04	+ (-) ITEMS RELATED TO FINANCING ACTIVITIES	14,280
e25	+ ACCRUED INTEREST	14,280
e26	+ (-) OTHER ITEMS	0
e06	CASH FLOW PROVIDED OR USED IN OPERATION	(1,596,374)
e27	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(1,707,977)
e28	+ (-) DECREASE (INCREASE) IN INVENTORIES	(1,163,022)
e29	+ (-)DECREASE (INCREASE) IN IN OTHER ACCOUNT RECEIVABLES	181,340
e30	+ (-) INCREASE DECREASE IN SUPPLIERS	1,273,403
e31	+ (-)INCREASE DECREASE IN OTHER LIABILITIES	20,141
e32	+ (-) INCOME TAXES PAID OR RETURNED	(200,259)
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	(8,522,620)
e33	(-) PERMANENT INVESTMENT IN SHARES	(8,437,170)
e34	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0
e35	(-) INVESTMENT IN PROPERTY PLANT AND EQUIPMENT	(192,059)
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	106,609
e43	+ (-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0
e44	+ (-) OTHER ITEMS	0

e10	NET CASH FRON FINANCING ACTIVITIES	2,102,432
e45	+ BANK FINANCING	1,234,092
e46	+ STOCK MARKET FINANCING	(176)
e47	+ OTHER FINANCING	0
e48	(-) BANK FINANCING AMORTIZATION	(308,523)
e49	(-) STOCK MARKET FINANCING AMORTIZATION	0
e50	(-) OTHER FINANCING AMORTIZATION	0
e51	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	0
e52	(-) DIVIDENS PAID	0
e53	+ PREMIUM ON ISSUANCE OF SHARES	0
e54	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	1,169,156
e55	(-) INTEREST EXPENSE	(14,280)
e56	(-) REPURCHASE OF SHARES	0
e57	+ (-) OTHER ITEMS	22,163

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

DATE PER SHARE
CONSOLIDATED

REF	CATEGORIES	QUARTER OF PRESENT

D		FINANCIAL YEAR
d01	BASIC PROFIT PER ORDINARY SHARE (**)	$ 3.54
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 (**)	$ 3.54
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	$ 0.00
d08	CARRYING VALUE PER SHARE	$ 35.86
d09	CASH DIVIDEND ACCUMULATED PER SHARE	$ 0.00
d10	DIVIDEND IN SHARES PER SHARE	0.00 shares
d11	MARKET PRICE TO CARRYING VALUE	1.63 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE	16.48 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 QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

RATIOS
CONSOLIDATED

REF P	CATEGORIES	QUARTER OF PRESENT FINANCIAL YEAR
	YIELD	
p01	NET INCOME TO NET SALES	8.91%
p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	9.89%

p03	NET INCOME TO TOTAL ASSETS (**)	6.64%
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 (**)	0.97 times
p07	NET SALES TO FIXED ASSETS (**)	3.04 times
p08	INVENTORIES TURNOVER (**)	4.96 times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	42 days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	2.72%

	LEVERAGE	
p11	TOTAL LIABILITIES TO TOTAL ASSETS	32.91%
p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	0.49 times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	19.45%
p14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00%
p15	OPERATING INCOME TO INTEREST PAID	174.87 times
p16	NET SALES TO TOTAL LIABILITIES (**)	2.96 times

	LIQUIDITY	
p17	CURRENT ASSETS TO CURRENT LIABILITIES	2.09 times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.99 times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	1.32 times
p20	AVAILABLE ASSETS TO CURRENT LIABILITIES	11.23%

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008

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

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 such acquisition was consummated. 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 it 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 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.

Six-Month Period Ended June 30, 2008 compared to Six-Month Period Ended June 30, 2007

Net Sales

Net sales increased 36% to Ps. 17,035 million in the six-month period ended June 30, 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 513 million) compared to Ps. 12,557 million in the same period of 2007. Shipments of finished steel products increased 13% to 1 million 562 thousand tons in the six-month period ended June 30, 2008 (including the net sales generated by the newly acquired plants of Grupo San of 44 thousand tons) compared to 1 million 383 thousand tons in the same period of 2007. Total sales outside of Mexico in the six-month period ended June 30, 2008 increased 39% to Ps. 12,172 million (including the net sales generated by the newly acquired plants of Grupo San of Ps. 37 million) compared with Ps. 8,737 million in the same period of 2007, while total Mexican sales increased 27% from Ps. 3,820 million in the six-month period ended June 30, 2007 to Ps. 4,863 million in the same period of 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 476 million). The increase in sales can be explained due to higher shipments during the six-month period ended June 30, 2008, compared with the same period in 2007 (179,000 tons increase) and 20% increase in the average price of steel products.

Direct Cost of Sales

Direct cost of sales increased 36% from Ps. 10,136 million in the six-month period ended June 30, 2007 to Ps. 13,744 million in the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 308 million). Direct cost of sales as a percentage of net sales represented at 81% in the six-month period ended June 30, 2008 compared to 81% in the same period of 2007. The increase in the Direct Cost of Sales is attributable mainly to an increase of 20% in the average cost of raw materials used to produce steel products in the six-month period ended June 30, 2008 versus the same period of 2007, primarily as a result of increases in the price of scrap and certain other raw materials; as well as 13% increase in shipments.

Gross Profit

Gross profit in the six-month period ended June 30, 2008 was Ps. 3,291 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 205 million) compared to Ps. 2,421 million in the same period of 2007. Gross profit as a percentage of net sales in the six-month period ended June 30, 2008 was 19% compared to 19% in the same period of 2007. This was principally due to an increase of 13% in sales volume.

Operating Expenses

Operating expenses increased 11% to Ps. 794 million in the six-month period ended June 30, 2008 (including the operating expenses by the newly acquired plants of Grupo San of Ps. 53 million) compared to Ps. 718 million in the same period of 2007 and represented 5% of net sales in the six-month period ended June 30, 2008 and 6% of net sales in the same period of 2007.

Operating Profit

Operating profit increased 47% to Ps. 2,497 million in the six-month period ended June 30, 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 152 million) compared to Ps. 1,703 million in the same period of 2007. Operating profit as a percentage of net sales was 15% in the six-month period ended June 30, 2008 compared to 14% in the same period of 2007. The increase in the operating profit was due principally to an increaset of 13% in sales volume.

Comprehensive Financial Cost

Comprehensive financial cost in the six-month period ended June 30, 2008 represented an expense of Ps. 258 million compared with a gain of Ps. 117 million in the same period of 2007. Net interest income was Ps. 93 million in the six-month period ended June 30, 2008 compared with Ps. 124 million in the same period of 2007, reflecting the use of cash and debt for the acquisition of Grupo San. At the same time, we registered an exchange loss of Ps. 351 million in the six-month period ended June 30, 2008 compared with an exchange loss of Ps. 31 million in the same period of 2007, reflecting a 5.7% increase in the value of the peso versus the dollar at June 30, 2008 compared to December 31, 2007.

Other Expenses (Income) net

The company recorded other income Net of Ps. 4 million in the six-month period ended June 30, 2008 compared to other income net for Ps. 18 million in the same period of 2007.

Income Taxes

Income Taxes recorded Ps. 726 million in the six-month period ended June 30, 2008 compared to Ps. 542 million in the same period of 2007.

Net Profit

As a result of the foregoing, net profit increased by 17% to Ps. 1,517 million in the six-month period ended June 30, 2008 from Ps. 1,296 million in the same period of 2007.

Liquidity and Capital Resources

At June 30, 2008, Simec's total consolidated debt consisted of U.S. $90.3 million; U.S. $90 million is a credit bank and U.S. $302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at June 30, 2008 was U.S. $377,257 dollars). 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).

Net resources provided by operations were Ps. 1,065 million in the six-month period ended June 30, 2008 versus Ps. 1,159 million of net resources provided by operations in the same period of 2007. Net resources provided by financing activities were Ps. 2,117 million in the six-month period ended June 30, 2008 versus Ps. 2,410 million of net resources used by financing activities in the same period 2007 (which amount includes the capital increase of Ps. 2,420 million in February 2007). Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 8,895 million in the six-month period ended June 30, 2008 (which amount includes Ps. 8,437 million used in the acquisition of Grupo San) versus net resources used in investing activities (to acquire property, plant and equipment and other non-current assets and liabilities) of Ps. 350 million in 2007.

Comparative second quarter 2008 vs. first quarter 2008

Net Sales

Net sales increased 34% from Ps. 7,288 million for the first quarter 2008 to Ps. 9,746 million for the second quarter 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 513 million). Sales in tons of finished steel increased 10% to 817 thousand tons in the second quarter 2008 compared with 745 thousand tons in the first quarter 2008. The total sales outside of Mexico for the second quarter 2008 increased 24% to Ps. 6,749 million compared with Ps. 5,423 million for the first quarter 2008. Total Mexican sales increased 61% to Ps. 2,997 million in the second quarter 2008 from Ps. 1,865 million in the first quarter 2008. Prices of finished products sold in the second quarter 2008 increased approximately 22% compared to the first quarter 2008.

Direct Cost of Sales

Direct cost of sales increased 27% from Ps. 6,050 million in the first quarter 2008 to Ps. 7,693 million for the second quarter 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 308 million).

With respect to sales, in the second quarter 2008, the direct cost of sales represents 79% compared to 83% for the first quarter 2008. The average cost of raw materials used to produce steel products increased 14% in the second quarter 2008 versus the first quarter 2008, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the second quarter 2008 increased 66% to Ps. 2,053 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 205 million) compared to Ps. 1,238 million in the first quarter 2008. The gross profit as a percentage of net sales for the second quarter 2008 was 21% compared with 17% for the first quarter 2008. The increase in gross profit was principally due to the increase in sales volume.

Operating Expenses

Operating expenses increased 21% to Ps. 434 million in the second quarter 2008 (including the operating expenses by the newly acquired plants of Grupo San of Ps. 53 million) compared to Ps. 360 million for the first quarter 2008. Operating expenses as a percentage of net sales represented 4% during the second quarter 2008 compared to 5% in the first quarter 2008.

Operating Profit

Operating profit increased 84% from Ps. 878 million in the first quarter 2008 to Ps. 1,619 million for the second quarter 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 152 million). The operating profit as a percentage of net sales in the second quarter 2008 was 17% compared to 12% in the first quarter 2008. The increase in operating profit is due to the increase in tons shipped.

Comprehensive Financial Cost

Comprehensive financial cost for the second quarter 2008 represented an expense of Ps. 197 million compared with an expense of Ps. 62 million for the first quarter 2008. Net interest income was Ps. 37 million in the second quarter 2008 compared with Ps. 55 million of net interest income in the first quarter 2008. At the same time, we registered an exchange loss of Ps. 234 million in the second quarter 2008 compared with an exchange loss of Ps. 117 million in the first quarter 2007.

Other Expenses (Income) net

The company recorded other expense net for Ps. 2 million in the second quarter 2008 compared with other income net for Ps. 5 million for the first quarter 2008.

Income Taxes

Income Taxes for the second quarter 2008 was an expense of Ps. 495 million compared to Ps. 230 million of expense for the first quarter 2008.

Net Profit

As a result of the foregoing, net profit was Ps. 925 million in the second quarter 2008 compared to Ps. 592 million of net profit in the first quarter 2008.

Comparative second quarter 2008 vs. second quarter 2007

Net Sales

Net sales increased 55% from Ps. 6,287 million for the second quarter 2007 compared with Ps. 9,746 million for the same period 2008 (including the net sales generated by the newly acquired plants of Grupo San of Ps. 513 million). Sales in tons of finished steel increased 20% to 817 thousand tons in the second quarter 2008 compared with 679 thousand tons in the same period 2007. The total sales outside of Mexico for the second quarter 2008 increased 55% to Ps. 6,749 million compared with Ps. 4,353 million for the same period 2007. Total Mexican sales increased 55% to Ps. 2,997 million in the second quarter 2008 from Ps. 1,934 millions in the same period 2007. Prices of finished products sold in the second quarter 2008 increased approximately 29% compared to the second quarter 2007.

Direct Cost of Sales

Direct cost of sales increased 50% from Ps. 5,114 million in the second quarter 2007 to Ps. 7,693 million for the same period 2008 (including the cost of sales generated by the newly acquired plants of Grupo San of Ps. 308 million). With respect to sales, in the second quarter 2008, the direct cost of sales represents 79% compared to 81% for the same period 2007. The average cost of raw materials used to produce steel products increased 25% in the second quarter 2008 versus the second quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

Gross Profit

Gross profit for the second quarter 2008 increased 75% to Ps. 2,053 million (including the gross profit generated by the newly acquired plants of Grupo San of Ps. 205 million) compared to Ps. 1,173 million in the same period 2007. The gross profit as a percentage of net sales for the second quarter 2008 was 21% compared with 19% for the same period 2007. The increase in gross profit is due to the increase in tons shipped.

Operating Expenses

Operating expenses increased 23% to Ps. 434 million in the second quarter 2008 (including the operating expenses by the newly acquired plants of Grupo San of Ps. 53 million) compared to Ps. 352 million for the same period 2007. Operating expenses as a percentage of net sales represented 4% during the second quarter 2008 compared to 6% of the same period 2007.

Operating Profit

Operating profit increased 97% from Ps. 821 million in the second quarter 2007 to Ps. 1,619 million for the same period 2008 (including the operating profit by the newly acquired plants of Grupo San of Ps. 152 million). The operating profit as a percentage of net sales in the second quarter 2008 was 17% compared to 13% in the same period 2007. The increase in operating profit is due to the increase in the prices of finished products sold due to the reasons previously mentioned.

Comprehensive Financial Cost

Comprehensive financial cost for the second quarter 2008 represented an expense of Ps. 197 million compared with a gain of Ps. 39 million for the second quarter 2007. Net interest income was Ps. 37 million in the second quarter 2008 compared with Ps. 82 million in the second quarter 2007. At the same time, we registered an exchange loss of Ps. 234 million in the second quarter 2008 compared with an exchange loss of Ps. 95 million in the second quarter 2007.

Other Expenses (Income) net

The company recorded other expenses net for Ps. 2 million for the second quarter 2008 compared with other expenses net for Ps. 9 million for the same period 2007.

Taxes and Profit Sharing

Taxes and profit sharing for the second quarter 2008 increased to Ps. 495 million compared to Ps. 304 million for the same period 2007.

Net Profit

As a result of the foregoing, net profit increased by 69% to Ps. 925 million in the second quarter 2008 from Ps. 547 million in the second quarter 2007.

Million of pesos	Six months ended June 30, 2008	Six months ended June 30, 2007	2008 vs. 2007
Sales	17,035	12,557	36%
Cost of Sales	13,744	10,136	36%
Gross Profit	3,291	2,421	36%
Operating Expenses	794	718	11%
Operating Profit	2,497	1,703	47%
EBITDA	2,763	1,958	41%
Net Profit	1,517	1,296	17%
Sales outside Mexico	12,172	8,737	39%
Sales in Mexico	4,863	3,820	27%
Total sales (tons)	1,562	1,383	13%

(Million of pesos)	2Q08	1Q08	2Q07	2Q08 vs. 1Q08	2
Sales	9,746	7,288	6,287	34%	
Cost of Sales	7,693	6,050	5,114	27%	
Gross Profit	2,053	1,238	1,173	66%	
Operating Expenses	434	360	352	21%	
Operating Profit	1,619	878	821	84%	

EBITDA	1,755	1,008	949	74%
Net Profit	925	592	547	56%
Sales outside Mexico	6,749	5,423	4,353	24%
Sales in Mexico	2,997	1,865	1,934	61%
Total sales (tons)	817	745	679	10%

Product	Thousands of tons six months ended June 30,2008	Million of pesos six months ended June 30, 2008	Average price per ton six months ended June 30, 2008	Thousands of tons six months ended June 30, 2007	Mil pes mont June
SBQ	1,144	12,873	11,253	982	
Light Structural	101	966	9,564	157	
Structural	110	1,120	10,182	121	
Rebar	194	1,875	9,665	122	
Others	13	201	-	1	
Total	1,562	17,035	10,906	1,383	1

Product	Thousands of tons 2Q08	Million of pesos 2Q08	Average price per ton 2Q08	Thousands of tons 1Q08	Million of pesos 1Q08	Average price per ton 1Q08
SBQ	579	7,124	12,304	565	5,749	10,175
Light Structural	47	512	10,894	54	453	8,389
Structural	55	616	11,200	55	504	9,164
Rebar	124	1,325	10,685	70	550	7,857
Others	12	169	-	1	32	-
Total	817	9,746	11,929	745	7,288	9,783

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

FINANCIAL STATEMENT NOTES

CONSOLIDATED

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

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

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

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

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 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
o Corporacion Aceros DM, S.A. de C.V.

All significant intercompany balances and transactions have been eliminated in consolidation.

c. Cash and cash equivalents - The Company considers short-term investments with original maturities not greater than three months to be cash equivalent. Cash equivalents include temporary investments and Mexican Government Treasury Bonds, and are stated at market value, which approximates cost plus earned interest. Any increase in market value is credited to operations for the period.

d. Inventories - 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 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, 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 June 30, 2008 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 and their amortization is calculated by the straight-line method over a period of 20 years.

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

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

i. Pension plan - Until 1995, the Company provided pension benefits for all personnel with a minimum of 10 years of service and 35 years of age. The Company had established an irrevocable trust for its contributions, which were based on actuarial calculations. In December 1995, the board of directors of the Company, in agreement with the trade union, discontinued these benefits and related contributions to the trust fund. This decision was made because of the new Mexican pension fund system, Administradoras de Fondos para el Retiro, which establishes similar benefits for the employees. The balance of the trust fund will be applied to the retirement benefits of qualifying employees until the fund is exhausted due to the irrevocable status of the fund.

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

j. Income taxes - In 1999, the Mexican Institute of Public Accountants issued Bulletin D-4, "Accounting for Income and Asset Taxes and Employee Profit Sharing", which is effective for all fiscal years beginning January 1, 2000. Bulletin D-4 establishes financial accounting and reporting standards for the effects of asset tax, income tax and employee profit sharing that result from enterprise activities during the current and preceding years.

The Company and its subsidiaries are included in the consolidated tax returns of the company's parent.

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

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

The first step in the process of conversion of financial information of the operations is the determination of the functional currency, which is in first instance the currency of primary the economic surroundings of the foreign operation; nevertheless, despite the previous thing, the functional currency can differ from the premises or registry, in the measurement that this one does not represent the currency that fundamentally affects the cash flow of the operations abroad. The financial statements of the foreign subsidiaries were turned to Mexican pesos with the following procedure:

- Applying the prevailing exchange rate at the consolidated balance date for monetary assets and liabilities.

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

l. Geographic concentration of credit risk - The Company sells its products primarily to distributors for the construction industry with no specific geographic concentration. Additionally, no single customer accounted for a significant amount of the Company's sales, and there were no significant accounts receivable from a single customer or affiliate at June 30, 2008 sales to five customers accounted for approximately 29.8% 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:

At June 30, 2008 Simec's total consolidated debt consisted of U.S. $90.3 million, U.S. $90 million is a credib bank and U.S. $302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at June 30, 2008 was U.S. $377,257 dollars). 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.

(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. 12,089 (U.S. $1,175,468) at June 30, 2008, (included in accrued liabilities) relating to these actions; the reduction of this reserve from previous levels reflects clean-up activities undertaken by Simec. Management believes the ultimate liability with respect to this matter will not exceed the amounts that have been accrued.

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

RELATIONS OF SHARES INVESTMENTS

CONSOLIDATED

COMPANY NAME	MAIN ACTIVITIES	NUMBE SHA
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	
Corporacion Aceros DM	Production and 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: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CREDITS BREAK DOWN
(THOUSANDS OF MEXICAN PESOS)

CONSOLIDATED

Credit Type / Institution	Amortization Date	Rate of Interest	Denominated in Pesos (Thousands of Pesos)						Denominated in	
			Time Interval							
			Current Year	Until 1 Year	Until 2 Years	Until 3 Years	Until 4 Years	Until 5 Years or More	Current Year	Unt Ye
BANKS										
Banco Inbursa, S.A.	29/05/2008	Libor + 1.45	0	0	0	0	0	0	0	925
TOTAL BANKS			0	0	0	0	0	0	0	925

LISTED IN THE STOCK EXCHANGE										
UNSECURED DEBT										
Medium Term Notes	15/12/1998	9.33	0	0	0	0	0	0	3,106	
TOTAL STOCK EXCHANGE			0	0	0	0	0	0	3,106	
SUPPLIERS										
Various			823,632	0	0	0	0	0	2,799,728	
TOTAL SUPPLIERS			823,632		0	0	0	0	2,799,728	
OTHER LOANS WITH COST										
TOTAL			0	0	0	0	0	0	0	
OTHER CURRENT LIABILITIES WITHOUT COST										
Various			391,186	0	0	0	0	0	479,351	
TOTAL			391,186	0	0	0	0	0	479,351	
TOTAL			1,214,818	0	0	0	0	0	3,282,185	925

NOTES: The exchange rate of the peso to the U.S. Dollar at June 30, 2008 was Ps. 10.2841

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

MONETARY FOREIGN CURRENCY POSITION
(Thousands of Mexican Pesos)

CONSOLIDATED

	DOLLARS		OTHER CURRENC	
FOREING CURRENCY POSITION	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS	THO
TOTAL ASSETS	360,647	3,708,919	1	
LIABILITIES POSITION	408,223	4,198,207	414	
SHORT TERM LIABILITIES POSITION	408,223	4,198,207	414	
LONG TERM LIABILITIES POSITION	0	0	0	
NET BALANCE	(47,576)	(489,288)	(413)	

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT JUNE 30, 2008 WAS PS. 10.2841

MEXICAN STOCK EXCHANGE
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STOCK EXCHANGE CODE: SIMEC QUARTER:2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

MEDIUM TERM NOTES
A) Accomplished the actual situation is 2.09 times.
B) Accomplished the actual situation is 0.33
C) Accomplished the actual situation is 193.50

As of June 30, 2008, the remaining balance of the MTNs not exchanged amounts to Ps. 3,106 ($302,000 dollars).

C.P. Jose Flores Flores
Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE
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STOCK EXCHANGE CODE: SIMEC QUARTER:2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

CONSOLIDATED

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CA
GUADALAJARA MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	48
MEXICALI MINI MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	25
INDUSTRIAS DEL ACERO Y DEL ALAMBRE	SALE OF STEEL PRODUCTS	
APIZACO AND CHOLULA PLANTS	PRODUCTION AND SALES OF STEEL PRODUCTS	46
CANTON CASTER FACILITY	PRODUCTION OF BILLET	1,3
LORAIN CASTER FACILITY	PRODUCTION OF BILLET	1,1
LORAIN HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	84

LACKAWANNA HOT-ROLLING MILL	PRODUCTION AND SALES OF STEEL PRODUCTS	60
MASSILLON COLD-FINISH FACILITY	PRODUCTION AND SALES OF STEEL PRODUCTS	12
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
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STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

MAIN RAW MATERIALS

CONSOLIDATED

DOMESTIC	MAIN SUPPLIERS	FOREIGN	MAIN SUPPLIERS	DOMESTIC SUBSTITUTION
PLANTS IN USA		SCRAP	VARIOUS	NO
SCRAP	VARIOUS	PLANTS IN MEXICO		YES
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
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GRUPO SIMEC, S.A.B. DE C.V.

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

DOMESTIC SELLS

MAIN PRODUCTS	NET SALES		MAIN
	VOLUME	AMOUNT	TRADEMARKS
STRUCTURAL PROFILES	85	886,814	
COMMERCIAL PROFILES	29	300,048	
REBAR	129	1,355,133	
FLAT BAR	53	482,878	
STEEL BARS	162	1,636,614	
OTHER	1	75,994	
BILLET	6	40,277	
MALLA	2	26,861	
CASTILLOS	2	29,933	
ALAMBRON	2	27,802	
T O T A L		4,862,354	

FOREIGN SALES		12,172,306	
TOTAL		17,034,660	

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

FOREIGN SELLS

MAIN PRODUCTS	NET SELLS		
	VOLUME	AMOUNT	TRADE

EXPORTS		
STRUCTURAL PROFILES	25	233,159
COMMERCIAL PROFILES	12	110,612
REBAR	65	519,804
STEEL BARS	26	258,460
FLAT BAR	7	72,317
BILLET	0	0
FOREIGN SUBSIDIARIES		
HOT-ROLLED BARS	536	6,294,268
COLD-FINISHED BARS	74	1,192,492
SEMI-FINISHED SEAMLESS TUBE ROUNDS	206	2,017,556
OTHER SEMI-FINISHED TRADE PRODUCTS	140	1,473,638
T O T A L		12,172,306

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSTRUCTION IN PROGRESS

CONSOLIDATED

THE PROJECTS IN PROGRESS AT JUNE 30, 2008, ARE:

PROJECTS IN PROGRESS	TOTAL INVESTMENT
PROJECTS IN REPUBLIC	148,965
PROJECTS IN MEXICALI	98,046
PROJECTS IN TLAXCALA	17,555
PROJECTS IN GUADALAJARA	35,153
PROJECTS IN SAN LUIS (GRUPO SAN)	3,950
TOTAL INVESTMENT AT JUNE 30, 2008	303,669

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

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

CONSOLIDATED

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

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

The first step in the process of conversion of financial information of the operations is the determination of the functional currency, which is in first instance the currency of primary the economic surroundings of the foreign operation; nevertheless, despite the previous thing, the functional currency can differ from the premises or registry, in the measurement that this one does not represent the currency that fundamentally affects the cash flow of the operations abroad. The financial statements of the foreign subsidiaries were turned to Mexican pesos with the following procedure:

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK
CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID CUPON	NUMBER OF SHARES

	FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUSCRIPTION
B	90,850,050	383,771,561	0	474,621,611
TOTAL	90,850,050	383,771,561	0	474,621,611

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMAT

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED

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 2007, respectively, 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.

	Six months ended June 30, 2008	Six months ended June 30, 2007
Net sales	Ps. 19,779	Ps. 14,472
Marginal profit	4,404	2,941
Net income	Ps. 1,784	Ps. 1,431
Earnings per share	4.72	4.91

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC QUARTER: 2 YEAR: 2008
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED

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

LUIS GARCIA LIMON AND 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 SECOND QUARTER REPORT.

ING LUIS GARCIA LIMON	C.P. JOSE FLORES FLORES
CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT JULY 21 OF 2008.