

GROUP SIMEC SA DE CV
Form 6-K
February 14, 2012

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 Dec, 2011.

Group Simec, Inc.

(Translation of Registrant's Name Into English)

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

(Address of principal executive office)

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

Form 20-F Form 40-F

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)

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Yes No

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

Yes No

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

Yes No

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

SIGNATURE

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

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

Date: Feb 14, 2012. By: /s/ Luis García Limón
Name: Luis García Limón
Title: Chief Executive Officer

GUADALAJARA, MEXICO, February 14, 2012- Grupo Simec, S.A.B. de C.V. (AMEX: SIM) (“Simec”) announced today its results of operations no Audited for the twelve-month period ended December 31, 2011 and December 31, 2010.

Twelve-Month Period Ended December 31, 2011 compared to Twelve-Month Period Ended December 31, 2010

We reclassified indirect cost in 2010 from selling, general and administrative expenses to Inventories and Cost Sales according with the full cost, issued by the Mexican Financial Reporting Standards “MFRS” for purposes of comparability with 2011.

Net Sales

Net sales increased 19% by the combination of higher sales of Special Bars “SBQ”, shipments of finished steel products of 2% and the average sales price per ton of 17% compared versus the same period of 2010, the sale rose from Ps. 24,576 millions in the twelve-month period ended December 31, 2010 to Ps. 29,301 millions in the same period of 2011. Shipments of finished steel products increase 2% to 2 million 288 thousand tons in the twelve-month period ended December 31, 2011 compared to 2 million 241 thousand tons in the same period of 2010. Total sales outside of Mexico in the twelve-month period ended December 31, 2011 increased 14% to Ps. 15,654 million compared with Ps.13,777 millions in the same period of 2010. Total sales in Mexico increased 26% from Ps. 10,799 millions in the twelve-month period ended December 31, 2010 to Ps. 13,647 millions in the same period of 2011. The increase in sales is due to an increase shipments during the twelve-month period ended December 31, 2011, compared to the same period in 2010 (47 thousand tons), increase in SBQ shipment in 193 thousand tons, and the increase of the average sales price of 17%.

Cost of Sales

Cost of sales increased 20% from Ps. 21,365 millions in the twelve-month period ended December 31, 2010 to Ps. 25,645 millions in the same period of 2011. Cost of sales as a percentage of net sales in the twelve months ended on December 31 of 2011 and 2010, cost of sales represented 88 and 87% respectively. The average cost of finished steel produced in the twelve-month period ended December 31, 2011 compared to the same period of 2010 increased approximately 18% by a higher of SBQ sales and increase of shipment.

Gross Profit

Gross profit of the Company in the twelve-month period ended December 30, 2011 was of Ps. 3,656 millions compared to Ps. 3,211 millions in the same period of 2010. Gross profit as a percentage of net sales represented 12% and 13% in 2011 and 2010 respectively. The increase in the gross profit is due to an increase in the volume shipment, better blend of steel compared with the same period of 2010.

Operating Expenses

Selling, general and administrative expenses decreased 46% from Ps. 2,078 millions in the twelve-month period ended December 31, 2010 to Ps. 1,130 millions in the same period of 2011, representing 4% and 8% respect of net sales in the twelve-month period ended December 2011 and 2010 respectively.

Operating Income

Operating income increased 123% from Ps. 1,133 millions for the twelve-month period ended December 31, 2010 to Ps. 2,525 millions in the same period of 2011. Operating income as a percentage of net sales was 9% in the twelve-month period ended December 31, 2011 compared with 5% in the same period of 2010. The increase in operating income is due to an increase in shipments, increase in sales of SBQ and better average sales price per ton.

EBITDA

The EBITDA of the Company increase 63% from Ps. 2,182 millions in the twelve-month prior ended December 31, of 2010, to Ps.3,562 millions in the same period of 2011.

Comprehensive Financial Cost

Comprehensive financial cost in the twelve-month period ended December 31, 2011 represented a net income of Ps. 675 millions compared with a net expense of Ps. 208 millions in the same period of 2010. The net interest was an income of Ps 5 millions in 2011 compared with a net interest of Ps. zero in the twelve-month period ended December 31, 2010. So it, we registered a net exchange gain net of Ps. 670 millions in the twelve-month period ended December 31, 2011 compared with a net exchange loss of Ps. 207 millions in the same period of 2010, reflecting a 13% decrease in the value of the peso versus the dollar in the twelve-month period ended December 31, 2011 compared to December 31, 2010.

Other Expenses (Income) net

The company recorded other net expenses of Ps. 186 millions in the twelve-month period ended December 31, 2010 for expenses incurred in the use of patent industrial compared to other expenses net of Ps. 37 millions in the same period of 2011.

Income Taxes

The Company have recorded an expense net income tax of Ps. 234 millions in the twelve-month period ended December 31, 2011 (including the expense of deferred income tax of Ps. 296 millions) compared with an expense net of Ps. 86 millions in the same period of 2010 (including the income tax deferred of Ps. 72 millions).

Net Income (loss) (After Minority Interest)

As a result of the foregoing, net income increased by 190% from Ps. 952 millions in the twelve-month period ended December 31, 2010 to a net income of Ps. 2,758 millions in the same period of 2011.

Liquidity and Capital Resources

As of December 31, 2011, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 4.2 millions (accrued interest on December 31, 2011 was U.S. \$472,824 or Ps. 6.6 millions). As of December 31, 2010, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 3.7 millions (accrued interest on December 31, 2010 was U.S. \$445,914, or Ps. 5.5 millions).

Comparative fourth quarter 2011 vs third quarter 2011

Net Sales

Net sales increased 2% from Ps. 7,676 millions in the third quarter of 2011 to Ps. 7,867 millions for the fourth quarter of 2011. Sales in tons decreased from 592 thousand ton in the third quarter of 2011 to 558 thousand ton in the fourth quarter of the same period a decrease of 6%. Total sales outside of Mexico for the fourth quarter of 2011 decreased 5% from Ps. 4,121 millions in the third quarter to Ps. 3,909 millions in the four quarter of 2011. Sales in Mexico rose to 3,958 millions in the fourth quarter of 2011 compared Ps. 3,555 millions in the third quarter of 2011 an increase of 11%. Prices of finished products sold in the fourth quarter of 2011 increased approximately 9% compared to the third quarter of the same period.

Cost of Sales

Cost of sales was of Ps. 6,782 millions in the fourth quarter of 2011 compared to Ps. 6,789 millions for the third quarter of 2011. With respect to sales, in the fourth quarter of 2011, the cost of sales represented 86% for the fourth quarter of 2011 while for the third quarter of 2011 was of 88%. The average cost of sales by ton increased 6% in the fourth quarter of 2011 versus the third quarter of 2011.

Gross Profit

Gross profit of the Company for the fourth quarter of 2011 increased 22% to Ps.1,085 millions compared to Ps. 887 millions in the third quarter of 2011. The gross profit as a percentage of net sales for the fourth quarter was of 14% and 12% for the third quarter of 2011.

Operating Expenses

Selling, general and administrative expenses increase 81% to Ps. 436 millions in the fourth quarter of 2011 compared to Ps. 241 millions for the third quarter of 2011. Selling, general and administrative expenses as a percentage of net sales represented 6% during the fourth quarter of 2011 and 3% during the third quarter of 2011.

Operating (Loss) Income

Operating income was of Ps 649 millions in the fourth quarter of 2011 compared to an operating income of Ps. 647 millions in the third quarter of 2011. The operating income as a percentage of net sales in the fourth and third quarter of 2011 represented 8%.

Ebitda

The ebitda in both quarter its similar from Ps. 940 millions in the third quarter of 2011 to Ps. 936 millions in the fourth quarter of the same period due to the above explained

Comprehensive Financial Income (Cost)

Comprehensive financial cost for the fourth quarter for 2011 was a net income of Ps. 352 millions compared with a net income of Ps. 495 millions for the third quarter of 2011. The net interest income in the third quarter of 2011 was of Ps 3 millions, while in the fourth quarter was a net interest expenses of Ps. 2 millions. At the same time we registered an exchange net gain of Ps. 492 millions in the third quarter of 2011 compared with an exchange net gain of Ps. 354 millions in the fourth quarter of 2011.

Other Expenses (Income) net

The company recorded other net expense of Ps. 59 millions in the fourth quarter of 2011 compared to other net income of Ps. 30 millions for the third quarter of 2011.

Income Taxes

Income Taxes for the fourth quarter of 2011 had a net income tax of Ps. 211 millions (including an income tax deferred for Ps. 51 millions) compared to an expense of Ps. 468 millions for the third quarter of 2011, (including an expense tax deferred of Ps. 386 millions).

Net Income (loss) (After Minority Interest)

As a result of the foregoing, the Company had a net income of Ps. 1,112 millions in the fourth quarter of 2011 compared to Ps. 685 millions of net income in the third quarter of 2011.

Comparative fourth quarter 2011 vs fourth quarter 2010

Net Sales

Net sales increased 40% from Ps. 5,635 millions for the fourth quarter of 2010 to Ps. 7,867 millions for the fourth quarter of 2011. Sales in tons of finished steel in the fourth quarter of 2010 were 522 thousand tons versus to 558 thousand tons in the fourth quarter of 2011. Total sales outside of Mexico increase 26% from Ps. 3,094 millions for the fourth quarter of 2010 to Ps. 3,909 millions in the fourth quarter of 2011. Sales in Mexico increase 56% from Ps. 2,541 millions in the fourth quarter of 2010 to Ps. 3,958 millions in the fourth quarter of 2011. The average sales prices of finished products sold in the fourth quarter of 2011 increased approximately 30% compared to the fourth quarter of 2010.

Cost of Sales

Cost of sales increased 52% from Ps. 4,466 millions in the fourth quarter of 2010 compared to Ps. 6,782 millions for the fourth quarter of 2011. With respect to sales, in the fourth quarter of 2011, the cost of sales represented 86% compared to 79% for the fourth quarter of 2010. The average cost of raw materials used to produce steel products increased 42% in the fourth quarter of 2011 versus the fourth quarter of 2010.

Gross Profit

Gross profit for the fourth quarter of 2011 decreased 7% from Ps. 1,169 millions in the fourth quarter of 2010 compared to an income of Ps. 1,085 millions in the fourth quarter of 2011. The gross profit as a percentage of net sales for the fourth quarter of 2011 was 14% compared with 21% for the fourth quarter of 2010.

Operating Expenses

Selling, general and administrative expenses decreased 62% from Ps.1,135 millions in the fourth quarter of 2010 compared to Ps. 436 millions for the fourth quarter of 2011. Selling, general and administrative expenses as a percentage of net sales represented 6% during the fourth quarter of 2011 and 20% during the fourth quarter of 2010.

Operating (Loss) Income

Operating income was of Ps.649 millions in the fourth quarter of 2011 compared with Ps. 34 millions in the fourth quarter of 2010. The operating income as a percentage of net sales in the fourth quarter of 2011 was 8% compared to 1% in the fourth quarter of 2010.

Ebitda

The ebitda from the fourth quarter of 2011 increased 208% from Ps 304 millions in the fourth quarter of 2010 to Ps 936 millions in the fourth quarter of 2011.

Comprehensive Financial Income (Cost)

Comprehensive financial cost for the fourth quarter of 2011 was an income of Ps. 352 millions compared with an expense of Ps 119 millions in the fourth quarter of 2010. Net interest expense was Ps. 2 millions in the fourth quarter of 2011 compared with a net income of Ps. 2 millions in the fourth quarter of 2010. At the same time we registered a net exchange gain of Ps. 354 millions in the fourth quarter of 2011 compared with an exchange loss of Ps. 121 millions in the fourth quarter of 2010.

Other Expenses (Income) net

The company recorded other net expense of Ps. 144 millions in the fourth quarter of 2010 for expenses incurred in the use of patent industrial compared with other expenses net of Ps. 59 millions for the fourth quarter of 2011.

Income Taxes

The Company recorded an income taxes for the fourth quarter of 2011 was an income of Ps. 211 millions (including an income of deferred income tax of Ps 51 millions), compared to a net expense of Ps. 42 millions for the fourth quarter of 2010, (including an income of deferred income tax of Ps. 53 millions).

Net Income (loss) (After Minority Interest)t

As a result of the foregoing, net income of Ps. 1,112 millions in the fourth quarter of 2011 compared to a loss of Ps. 117 millions of net income in the fourth quarter of 2010.

Millions of pesos	Twelve months ended December 31, 2011	Twelve months ended December 31, 2010	2011
			vs. 2010
Sales	29,301	24,576	19%
Cost of Sales	25,645	21,365	20%
Marginal Profit	3,656	3,211	14%
Operating Expenses	1,130	2,078	(46%)
Operating Income	2,525	1,133	123%
EBITDA	3,562	2,182	63%
Income before Non-Controlling Interest	2,929	653	349%
Sales outside Mexico	15,654	13,777	14%
Sales in México	13,647	10,799	26%
Total sales (tons)	2,288	2,241	2%

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(Millions of pesos)	4Q '11	3Q '11	4Q '10	4Q'11 vs 3Q'11	4Q'11 vs 4Q'10
Sales	7,867	7,676	5,635	2%	40%
Cost of Sales	6,782	6,789	4,466	0%	52%
Marginal Profit	1,085	887	1,169	22%	(7%)
Operating Expenses	436	241	1,135	81%	(62%)
Operating Income	649	647	34	0%	1,809%
EBITDA	936	940	304	0%	208%
Income before Non-Controlling Interest	1,152	704	(271)	64%	(525%)
Sales outside Mexico	3,909	4,121	3,094	(5%)	26%
Sales in México	3,958	3,555	2,541	11%	56%
Total sales (tons)	558	592	522	(6%)	7%

Product	Thousands of tons twelve months ended December 31, 2011	Million of pesos twelve months ended December 31, 2011	Average price per ton twelve months ended December 31, 2011	Thousands of tons twelve months ended December 31, 2010	Million of pesos twelve months ended December 31, 2010	Average price per ton twelve months ended December 31, 2010
SBQ	1,380	19,659	14,246	1,187	15,194	12,800
Light Structural	908	9,642	10,619	1,054	9,382	8,901
Total	2,288	29,301	12,806	2,241	24,576	10,967

Product	Thousands of tons 4Q '11	Millions of pesos 4Q'11	Average price per ton 4Q'11	Thousands of tons 3Q '11	Millions of pesos 3Q'11	Average price per ton 3Q'11	Thousands of tons 4Q'10	Millions of pesos 4Q'10	Average price per ton 4Q'10
SBQ	318	5,011	15,758	344	5,038	14,645	261	3,187	12,211
Light Structural	240	2,856	11,900	248	2,638	10,637	261	2,448	9,379
Total	558	7,867	14,099	592	7,676	12,966	522	5,635	10,795

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

MEXICAN STOCK EXCHANGE**SIFIC / ICS**

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT

AT DECEMBER 31 OF 2011 AND 2010

(thousands of Mexican pesos)

REF	CONCEPTS	CURRENT	PREVIOUS
S		YEAR	YEAR
		AMOUNT %	AMOUNT %
s01	TOTAL ASSETS	30,963,817	10027,120,746
s02	CURRENT ASSETS	15,870,696	51 13,410,752
s03	CASH AND SHORT-TERM INVESTMENTS	6,717,623	22 3,384,917
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	2,982,264	10 2,465,208
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE	453,786	1 857,485
s06	INVENTORIES	5,642,641	18 6,606,922
s07	OTHER CURRENT ASSETS	74,382	0 96,220
s08	LONG-TERM	0	0 0
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0 0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0 0
s11	OTHER INVESTMENTS	0	0 0
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	9,507,937	31 9,453,237
s13	LAND AND BULIDINGS	4,171,801	13 3,800,468
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	13,986,048	45 13,111,559
s15	OTHER EQUIPMENT	253,194	1 233,810
s16	ACCUMULATED DEPRECIATION	8,997,699	29 8,180,035
s17	CONSTRUCTION IN PROGRESS	94,593	0 487,435
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	3,769,637	12 4,101,141
s19	OTHER ASSETS	1,815,547	6 155,616
s20	TOTAL LIABILITIES	7,080,745	1006,662,996
s21	CURRENT LIABILITIES	3,825,723	54 3,898,606
s22	SUPPLIERS	2,435,014	34 2,162,801
s23	BANK LOANS	0	0 0

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s24 STOCK MARKET LOANS	4,225	0	3,732	0
s103 OTHER LOANS WITH COST	704,616	10	602,168	9
s25 TAXES PAYABLE	184,336	3	434,220	7
s26 OTHER CURRENT LIABILITIES WITHOUT COST	497,532	7	695,685	10
s27 LONG-TERM LIABILITIES	0	0	0	0
s28 BANK LOANS	0	0	0	0
s29 STOCK MARKET LOANS	0	0	0	0
s30 OTHER LOANS WITH COST	0	0	0	0
s31 DEFERRED LIABILITIES	0	0	0	0
s32 OTHER NON-CURRENT LIABILITIES WITHOUT COST	3,255,022	46	2,764,390	41
s33 CONSOLIDATED STOCKHOLDERS' EQUITY	23,883,072	100	20,457,750	100
s34 MINORITY INTEREST	2,190,673	9	1,784,438	9
s35 MAJORITY INTEREST	21,692,399	91	18,673,312	91
s36 CONTRIBUTED CAPITAL	8,350,900	35	8,350,900	41
S79 CAPITAL STOCK	4,142,696	17	4,142,696	20
s39 PREMIUM ON ISSUANCE OF SHARES	4,208,204	18	4,208,204	21
s40 CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
s41 EARNED CAPITAL	13,341,499	56	10,322,412	50
s42 RETAINED EARNINGS AND CAPITAL RESERVES	12,737,696	53	9,979,248	49
s44 OTHER ACCUMULATED COMPREHENSIVE RESULT	603,803	3	343,164	2
s80 SHARES REPURCHASED	0	0	0	0

MEXICAN STOCK EXCHANGE

SIFIC / ICS

STOCK EXCHANGE CODE: **SIMEC** QUARTER: 4 YEAR: **2011**
GRUPO SIMEC, S.A.B. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT

BREAKDOWN OF MAIN CONCEPTS

(thousands of Mexican pesos)

REF		CURRENT	PREVIOUS
S	CONCEPTS	YEAR	YEAR
		AMOUNT%	AMOUNT%
s03	CASH AND SHORT-TERM INVESTMENTS	6,717,623 100	3,384,917 100
s46	CASH	1,676,463 25	769,399 23