

GROUP SIMEC SA DE CV  
Form 6-K  
February 28, 2014

**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 December 2013.

Group Simec, Inc.

(Translation of Registrant's Name Into English)

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

(Address of principal executive office)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No

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

SIGNATURE

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

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

(Registrant)

Date: February 27, 2014. By: /s/ Luis  
García  
Limón  
Name: Luis  
García  
Limón  
Title:  
Chief  
Executive  
Officer

**PRESS RELEASE** Contact: Sergio Vigil González  
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**GRUPO SIMEC ANNOUNCES RESULTS OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2013**

GUADALAJARA, MEXICO, February 27, 2014- Grupo Simec, S.A.B. de C.V. (NYSE: SIM) (“Simec”) announced today its results of operations Audited for the twelve-month period ended December 31, 2013 and December 31, 2012.

Twelve-Month Period Ended December 31, 2013 compared to Twelve-Month Period Ended December 31, 2012

*Net Sales*

Net sales decreased 17% by the combination of lower shipments of finished steel products by 9% and the average sales price per ton of 9% compared the same period of 2012, the sale rose from Ps. 29,524 millions in the twelve-month period ended December 31, 2012 to Ps. 24,508 millions in the same period of 2013. Shipments of finished steel products decrease 9% to 2 million 064 thousand tons in the twelve-month period ended December 31, 2013 compared to 2 million 262 thousand tons in the same period of 2012. Total sales outside of Mexico in the twelve-month period ended December 31, 2013 decreased 17% to Ps. 11,486 million compared with Ps.13,774 millions in the same period of 2012. Total sales in Mexico decreased 17% from Ps. 15,750 millions in the twelve-month period ended December 31, 2012 to Ps. 13,022 millions in the same period of 2013. The decrease in sales is due to the decrease of the average sales price of 9% and lower shipments of finished steel products by 9%.

*Cost of Sales*

Cost of sales decreased 14% from Ps. 25,960 millions in the twelve-month period ended December 31, 2012 to Ps. 22,337 millions in the same period of 2013. Cost of sales as a percentage of net sales in the twelve months ended on December 31 of 2013 represented 91% and 88% in the same period of 2012. The average cost of finished steel produced in the twelve-month period ended December 31, 2013 compared to the same period of 2012 decreased approximately 6% by lower costs of SBQ steel.

*Gross Profit*

Gross profit of the Company in the twelve-month period ended December 31, 2013 was of Ps. 2,171 million compared to Ps. 3,564 millions in the same period of 2012. Gross profit as a percentage of net sales represented 9% in the twelve-month period ended December 31, 2013 and 12% in the same period of 2012. The decrease in the gross profit is due to a lower shipments of finished steel products in 2013, compared with the same period of 2012.

*Operating Expenses*

Selling, general and administrative expenses decreased 15% from Ps. 1,228 millions in the twelve-month period ended December 31, 2012 to Ps. 1,049 million in the same period of 2013, representing 4% respect of net sales in both periods.

*Other Expenses (Income) net*

The company recorded other net incomes of Ps. 181 millions in the twelve-month period ended December 31, 2012 compared to other expenses net of Ps. 32 millions in the same period of 2013.

*Operating Income*

Operating income decreased 57% from Ps. 2,517 million for the twelve-month period ended December 31, 2012 to Ps. 1,090 millions in the same period of 2013. Operating income as a percentage of net sales was 9% in the twelve-month period ended December 31, 2012, and 4% in the same period of 2013. The decrease in operating income is due to a less average sales price and lower shipments of finished steel products.

EBITDA

The EBITDA of the Company decreased 39% from Ps. 3,529 millions in the twelve-month prior ended December 31, of 2012, to Ps. 2,143 millions in the same period of 2013.

*Comprehensive Financial Cost*

Comprehensive financial cost in the twelve-month period ended December 31, 2013 represented a net expense of Ps. 142 million compared with a net expense of Ps. 509 millions in the same period of 2012. The net interest was an expense of Ps 36 million in 2013 compared with a net interest income of Ps. 1 million in the twelve-month period ended December 31, 2012. As a result, we registered a net exchange loss of Ps. 106 millions in the twelve-month period ended December 31, 2013 compared with a net exchange loss of Ps. 510 millions in the same period of 2012, reflecting a 1% increase in the value of the peso versus the dollar in the twelve-month period ended December 31, 2013 compared to December 31, 2012.

*Income Taxes*

The Company have recorded a net income tax of Ps. 495 millions in the twelve-month period ended December 31, 2013 (including the income of deferred income tax of Ps. 561 millions) compared with an expense net of Ps. 54 millions in the same period of 2012 (including the expense tax deferred of Ps. 70 millions).

*Net Income (loss) (After Minority Interest)*

As a result of the foregoing, net income decreased by 11% from Ps. 2,070 millions in the twelve-month period ended December 31, 2012 to a net income of Ps. 1,851 millions in the same period of 2013.

*Liquidity and Capital Resources*

As of December 31, 2013, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 3.9 million (accrued interest on December 31, 2013 was U.S. \$527,048 or Ps. 6.9 millions). As of December 31, 2012, Simec's total consolidated debt consisted

of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 3.9 million (accrued interest on December 31, 2012 was U.S. \$499,837, or Ps. 6.5 millions).

#### Comparative fourth quarter 2013 vs third quarter 2013

##### *Net Sales*

Net sales decreased 9% from Ps. 6,211 millions in the third quarter of 2013 to Ps. 5,672 million for the fourth quarter of 2013. Sales in tons decreased from 527 thousand ton in the third quarter of 2013 to 485 thousand ton in the fourth quarter of the same period a decrease of 8%. Total sales outside of Mexico for the fourth quarter of 2013 decreased 12% from Ps. 2,941 millions in the third quarter to Ps. 2,577 millions in the fourth quarter of 2013. Sales in Mexico diminished to 3,095 million in the fourth quarter of 2013 compared Ps. 3,270 millions in the third quarter of 2013 an decrease of 5%. Prices of finished products sold in the fourth quarter of 2013 decreased approximately 1% compared to the third quarter of the same period.

##### *Cost of Sales*

Cost of sales was of Ps. 5,373 millions in the fourth quarter of 2013 compared to Ps. 5,736 million for the third quarter of 2013. With respect to sales, in the fourth quarter of 2013, the cost of sales represented 95% for the fourth quarter of 2013 while for the third quarter of 2013 was of 92%. The average cost of sales by ton increased 2% in the fourth quarter of 2013 versus the third quarter of 2013.

##### *Gross Profit*

Gross profit of the Company for the fourth quarter of 2013 decreased 37% to Ps. 299 million compared to Ps. 475 millions in the third quarter of 2013. The gross profit as a percentage of net sales for the fourth quarter was of 5% and 8% for the third quarter of 2013.

##### *Operating Expenses*

Selling, general and administrative expenses decreased 42% to Ps. 166 millions in the fourth quarter of 2013 compared to Ps. 286 million for the third quarter of 2013. Selling, general and administrative expenses as a percentage of net sales represented 3% during the fourth quarter of 2013 and 5% for the third quarter of 2013.

##### *Other Expenses (Income) net*



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The company recorded other net expenses of Ps. 42 millions in the fourth quarter of 2013 compared to other net expenses of Ps. 1 million for the third quarter of 2013.

*Operating (Loss) Income*

Operating income was of Ps 91 million in the fourth quarter of 2013 compared to an operating income of Ps. 188 millions in the third quarter of 2013. The operating income as a percentage of net sales in the fourth quarter of 2013 represented 2% while the operating income for the third quarter of 2013 represented 3%.

EBITDA

The *EBITDA* was Ps. 472 millions in the third quarter of 2013 compared to Ps. 299 million for the fourth quarter of 2013 due to the above explained.

*Comprehensive Financial Income (Cost)*

Comprehensive financial cost for the fourth quarter for 2013 was a net income of Ps. 17 million compared with a net income of Ps. 65 million for the third quarter of 2013. The net interest cost in the fourth quarter was Ps 9 millions compared to Ps 26 millions in the third quarter of 2013. At the same time we registered an exchange net income of Ps. 91 millions in the third quarter of 2013 compared with an exchange net income of Ps. 26 millions in the fourth quarter of 2013.

*Income Taxes*

Income Taxes for the fourth quarter of 2013 had an income net income tax of Ps. 248 million (including an income tax deferred for Ps. 421 millions) compared to an income of Ps. 144 million for the third quarter of 2013, (including an income tax deferred of Ps. 60 millions).

*Net Income (loss) (After Minority Interest)*

As a result of the foregoing, the Company had a net income of Ps. 485 millions in the fourth quarter of 2013 compared to Ps. 509 million of net income in the third quarter of 2013.

Comparative fourth quarter 2013 vs fourth quarter 2012

*Net Sales*

Net sales decreased 7% from Ps. 6,106 million for the fourth quarter of 2012 to Ps. 5,672 million for the fourth quarter of 2013. Sales in tons of finished steel in the fourth quarter of 2012 were 520 thousand tons versus to 485 thousand tons in the fourth quarter of 2013. Total sales outside of Mexico increase 19% from Ps. 2,166 million for the fourth quarter of 2012 to Ps. 2,577 millions in the fourth quarter of 2013. Sales in Mexico decreased 21% from Ps. 3,940 millions in the fourth quarter of 2012 to Ps. 3,095 millions in the fourth quarter of 2013. The average sales prices of finished products sold in the fourth quarter of 2013 was held against to the fourth quarter of 2012.

*Cost of Sales*

Cost of sales decreased 11% from Ps. 6,007 millions in the fourth quarter of 2012 compared to Ps. 5,373 million for the fourth quarter of 2013. With respect to sales, in the fourth quarter of 2013, the cost of sales represented 95% compared to 98% for the fourth quarter of 2012. The average cost of steel products decreased 4% in the fourth quarter of 2013 versus the fourth quarter of 2012.

*Gross Profit*

Gross profit for the fourth quarter of 2013 increased 202% from Ps. 99 millions in the fourth quarter of 2012 compared to an income of Ps. 299 millions in the fourth quarter of 2013. The gross profit as a percentage of net sales for the fourth quarter of 2013 was 5% compared with 2% for the fourth quarter of 2012.

*Operating Expenses*

Selling, general and administrative expenses decreased 54% from Ps. 362 millions in the fourth quarter of 2012 compared to Ps. 166 million for the fourth quarter of 2013. Selling, general and administrative expenses as a percentage of net sales represented 3% during the fourth quarter of 2013 and 6% during the fourth quarter of 2012.

*Other Expenses (Income) net*

The company recorded other net income of Ps. 187 millions in the fourth quarter of 2012 compared with other expenses net of Ps. 42 million for the fourth quarter of 2013.

*Operating (Loss) Income*

Operating income was of Ps. 91 millions in the fourth quarter of 2013 compared to an operating loss of Ps. 76 millions in the fourth quarter of 2012. The operating income as a percentage of net sales in the fourth quarter of 2013 was 2%, compared to an operating loss of -1% in the fourth quarter of 2012.

*EBITDA*

The EBITDA from the fourth quarter of 2013 increased 50% from Ps 200 million in the fourth quarter of 2012 to Ps 299 million in the fourth quarter of 2013.

*Comprehensive Financial Income (Cost)*

Comprehensive financial cost for the fourth quarter of 2013 was a net income of Ps. 17 million compared with a loss of Ps 295 million in the fourth quarter of 2012. Net interest expense was of Ps. 9 million in the fourth quarter of 2013 compared with a net effect of zero Ps. in the fourth quarter of 2012. At the same time we registered a net exchange income of Ps. 26 millions in the fourth quarter of 2013 compared with an exchange loss of Ps. 295 millions in the fourth quarter of 2012.

*Income Taxes*

The Company recorded an income taxes for the fourth quarter of 2013 was of Ps. 248 million (including an income of deferred income tax of Ps 421 millions), compared to a net expense of Ps. 89 million for the fourth quarter of 2012, (including an expense of deferred income tax of Ps. 105 millions).

*Net Income (loss) (After Minority Interest)*

As a result of the foregoing, the Company recorded a net income of Ps. 485 millions in the fourth quarter of 2013 compared to Ps. 283 million of net loss in the fourth quarter of 2012.

(million of pesos)	4Q '13	4Q '12	Year 13 vs '12
Sales	24,508	29,524	(17%)
Cost of Sales	22,337	25,960	(14%)
Gross Profit	2,171	3,564	(39%)
Selling, General and Administrative Expense	1,049		(15%)
		1,228	
Other Income (Expenses), net	-32	181	(118%)
Operating Profit	1,090	2,517	(57%)
EBITDA	2,143	3,529	(39%)
Net income	1,851	2,070	(11%)
Sales Outside Mexico	11,486	13,774	(17%)
Sales in Mexico	13,022	15,750	(17%)
Total Sales (Tons)	2,064	2,262	(9%)

**Quarter**

(million of pesos)	4Q '13	3Q '13	4Q '12	4Q '13 vs 3Q '13	4Q '13 vs 4Q '12
Sales	5,672	6,211	6,106	(9%)	(7%)
Cost of Sales	5,373	5,736	6,007	(6%)	(11%)
Gross Profit	299	475	99	(37%)	202%
Selling, General and Adm. Expenses	166	286	362	(42%)	(54%)
Other Income (Expenses), net	-42	-1	187	4,100%	(122%)
Operating Profit	91	188	-76	(52%)	(220%)
EBITDA	299	472	200	(37%)	50%
Net Income	485	509	-283	(5%)	(271%)
Sales Outside Mexico	2,577	2,941	2,166	(12%)	19%
Sales in Mexico	3,095	3,270	3,940	(5%)	(21%)
Total Sales (Tons)	485	527	520	(8%)	(7%)

Product	Thousand of Tons	Million of Pesos	Average Price per Ton	Thousand of Tons	Million of Pesos	Average Price per Ton
	Jan-Dec 2013	Jan-Dec 2013	Jan-Dec 2013	Jan - Dec 2012	Jan- Dec 2012	Jan-Dec 2012
Commercial Profiles	889	8,404	9,453	1,057	11,332	10,721
Special Profiles	1,175	16,104	13,705	1,205	18,192	15,097

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<b>Total</b>	2,064	24,508	11,874	2,262	29,524	13,052
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Product	Thousand of Tons	Million of Pesos	Average Price per Ton	Thousand of Tons	Million of Pesos	Average Price per Ton	Thousand of Tons	Million of Pesos	Average Price per Ton
	Oct-Dec 2013	Oct-Dec 2013	Oct-Dec 2013	Jul-Sep 2013	Jul-Sep 2013	Jul-Sep 2013	Oct-Dec 2012	Oct-Dec 2012	Oct-Dec 2012
<b>Commercial Profiles</b>	219	1,899	8,671	213	2,014	9,455	302	2,850	9,437
<b>Special Profiles</b>	266	3,773	14,184	314	4,197	13,366	218	3,256	14,936
<b>Total</b>	485	5,672	11,694	527	6,211	11,785	520	6,106	11,742

*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.*



**CLAVE DE COTIZACION: SIMEC**  
**GRUPO SIMEC, S.A.B. DE C.V**

**QUARTER: 4**  
**2013**

(THOUSAND PESOS)

ACCOUNT	ENDING CURRENT QUARTER Amount	ENDING PREVIOUS YEAR Amount
<b>TOTAL ASSETS</b>	<b>34,039,970</b>	<b>32,456,785</b>
<b>TOTAL CURRENT ASSETS</b>	<b>16,787,010</b>	<b>17,319,940</b>
CASH AND CASH EQUIVALENTS	6,984,730	8,102,314
SHORT-TERM INVESTMENTS	0	0
AVAILABLE-FOR-SALE INVESTMENTS	0	0
TRADING INVESTMENTS	0	0
HELD-TO-MATURITY INVESTMENTS	0	0
TRADE RECEIVABLES, NET	2,451,255	2,215,648
TRADE RECEIVABLES	2,533,832	2,450,168
ALLOWANCE FOR DOUBTFUL ACCOUNTS	-82,577	-234,520
OTHER RECEIVABLES, NET	807,418	526,043
OTHER RECEIVABLES	807,418	526,043
ALLOWANCE FOR DOUBTFUL ACCOUNTS	0	0
INVENTORIES	6,410,135	6,234,216
BIOLOGICAL CURRENT ASSETS	0	0
OTHER CURRENT ASSETS	133,472	241,719
PREPAYMENTS	0	0
DERIVATIVE FINANCIAL INSTRUMENTS	0	0
ASSETS AVAILABLE FOR SALE	0	0
DISCONTINUED OPERATIONS	0	0
RIGHTS AND LICENSES	0	0
OTHER	133,472	241,719
<b>TOTAL NON-CURRENT ASSETS</b>	<b>17,252,960</b>	<b>15,136,845</b>
ACCOUNTS RECEIVABLE, NET	0	0
INVESTMENTS	0	0
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	0	0
HELD-TO-MATURITY INVESTMENTS	0	0
AVAILABLE-FOR-SALE INVESTMENTS	0	0
OTHER INVESTMENTS	0	0
PROPERTY, PLANT AND EQUIPMENT, NET	12,335,540	9,776,411
LAND AND BUILDINGS	4,103,869	4,081,274
MACHINERY AND INDUSTRIAL EQUIPMENT	16,715,662	14,465,533
OTHER EQUIPMENT	297,506	293,922
ACCUMULATED DEPRECIATION	-10,399,238	-9,587,376
CONSTRUCTION IN PROGRESS	1,617,741	523,058
INVESTMENT PROPERTY	0	0
BIOLOGICAL NON- CURRENT ASSETS	0	0
INTANGIBLE ASSETS, NET	3,189,828	3,672,775

GOODWILL  
TRADEMARKS

1,814,160

1,814,160