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MILBANK REPRESENTS CITIGROUP IN GRUPO SIMEC'S \$217 MILLION SEC REGISTERED STOCK OFFERING

*– Concurrent Offering of North American Steel Maker's
Shares in Mexico and ADSs in Global Markets –*

NEW YORK, February 20, 2007 – Grupo Simec, S.A.B. de C.V., one of the largest producers of Special Bar Quality (“SBQ”) steel in North America, has completed a \$217 million SEC registered secondary stock offering. The offering was the first SEC registered offering of equity securities by a Mexican issuer in 2007. The international law firm Milbank, Tweed, Hadley & McCloy LLP, led by partners Michael Fitzgerald and Taisa Markus, represented Citigroup Global Markets in the transaction.

Milbank's Fitzgerald noted, “The success of this offering reflects the continued strength of the Mexican equity market and the premium placed on Mexican manufacturing companies that service the NAFTA region. Grupo Simec derives most of its revenues from the U.S. operations of the prior Republic Steel Company that it acquired last year. Milbank's participation in the transaction builds on its involvement in the 2004 Mexican initial public offering and 144A offering of Industrias CH, the majority shareholder of Grupo Simec and one of the largest steel companies in Mexico.”

About the Offering:

The \$217 million offering consisted of an SEC registered offering of ADSs and a Mexican public offering of the underlying Series B Shares. The offering was underwritten by Citigroup Global Markets Inc. and co-managed by Morgan Stanley. Acciones y Valores Banamex, S.A. de C.V., Casa de Bolsa

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Integrante del Grupo Financiero Banamex and Ixe Casa de Bolsa, S.A. de C.V., Ixe Grupo Financiero, acted as joint bookrunners in the Mexican tranche. The proceeds of the offering will be used for general corporate purposes.

Grupo Simec, S.A.B. de C.V. [Amex: SIM] is a diversified manufacturer, processor and distributor of special bar quality ("SPQ") steel and structural products with production and commercial operations in the United States, Mexico and Canada. In 2005 Grupo Simec acquired a controlling interest in Republic, a leading U.S. producer of SBQ steel. Grupo Simec is a subsidiary of Industrias CH, S.A. de C.V.

The Milbank team representing the underwriters was led by partners Michael Fitzgerald and Taisa Markus with associates Armando Valdes and Melinda Creasman and international attorney Jorge Oria. Tax advice was provided by partner Bruce Kayle.

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Milbank in Latin America:

Active in Latin America for many years, Milbank has played a prominent role in some of the region's most innovative and complex transactions, from project financings and restructurings to securities offerings and IPOs. Milbank's Global Securities/M&A/General Corporate Group is renowned for its leadership in sophisticated cross-border transactions and combines both the transactional and regulatory expertise necessary to successfully negotiate and close mergers & acquisitions and other transactions across a wide range of industries.

Milbank's Global Securities Group has been involved in a number of "first of its kind" transactions in Latin America. Recent notable engagements include:

- **\$6 billion CVRD Pre-Export Financing:** Milbank represented metals & mining company Companhia Vale do Rio Doce ("CVRD") and CVRD International in a \$6 billion pre-export financing. The financing, unprecedented in size, underscored the market strength of CVRD and the successful strategy of positioning the company as a global borrower.
- **\$1 billion Vitro High Yield Offering:** Milbank represented Mexican glass manufacturer Vitro, S.A.B. de C.V. in a \$1 billion high-yield offering, the largest Latin American high yield offering to date. The proceeds of the offering were used to complete the company's restructuring.
- **\$650 million Satmex Restructuring:** Milbank represented the creditors' committee in the complex cross-border restructuring by Satélites Mexicanos, S.A. de C.V. ("Satmex"), one of Mexico's leading satellite service providers. The innovative, comprehensive restructuring process took several years to complete due to its cross-border nature (Mexican company with U.S. debt and equity holders), equity structure (23% owned by the Mexican Government) and a

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reliance on concessions from the Mexican Government and Mexican regulators for the continued operation of its business.

- **\$200 Million IUSA Offering:** Milbank represented Industrias Unidas, S.A. de C.V. (“IUSA”), one of the largest conglomerates in Mexico, in its inaugural U.S. securities offering.
- **\$600 Million Banorte Offering:** Milbank represented Banco Mercantile del Norte S.A. (“Banorte”), the largest non-foreign owned bank in Mexico, in its issuance of \$600 million of “Tier I” and “Tier II” capital securities in the international capital markets. The offering marks the largest capital securities offering ever by a Mexican bank.

Milbank, Tweed, Hadley & McCloy LLP is a preeminent global law firm that for more than 140 years has provided innovative legal solutions in many of the world’s largest, most complex, “first-ever” corporate transactions and litigation. Our transactional expertise includes capital markets, corporate finance and transactions, project finance, acquisition finance, and other major fields of law practice. Milbank litigation teams resolve disputes involving mergers and acquisitions, proxy battles, financings and securities offerings, intellectual property, white collar crime, and corporate restructurings, among others. Our clients range from prominent multinational financial, industrial and commercial enterprises to governments, institutions and individuals. The Firm is headquartered in New York with offices in Beijing, Frankfurt, Hong Kong, London, Los Angeles, Munich, Singapore, Tokyo, and Washington, DC.

To learn more about Milbank and its attorneys, go to www.milbank.com.

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