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DESC S A DE C V  
Form 6-K  
October 27, 2003

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

For the month of October, 2003

Commission File Number: 001-13196

DESC, S.A. DE C.V.

(Translation of registrant's name into English)

PASEO DE LOS TAMARINDOS 400-B, BOSQUES DE LAS LOMAS, 05120 MEXICO, D.F., MEXICO

(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 if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(1):

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

Indicate by check mark whether by furnishing the information contained in this  
Form, the registrant 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-\_\_\_\_\_

The following are included in this report on Form 6-K:

Item  
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1. Press Release, dated October 23, 2003, announcing Registrant's

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Results for the Third Quarter of 2003

2. Consolidated Financial Statements of Registrant as of September 30, 2003 and 2002, in the format required to be filed with the Mexican Stock Exchange

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Item 1

[Desc closed the sale of its Adhesives and Waterproofing Businesses]  
[2 Photographs]

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## DESC CLOSED THE SALE OF ITS ADHESIVES AND WATERPROOFING BUSINESSES

Mexico City, October 2nd, 2003 - DESC, S.A. de C.V. (NYSE: DES; BMV: DESC) announces the closing of the sale of its adhesive and waterproofing businesses, of the consumer products division, to Henkel Group. The amount of this transaction will not be disclosed.

The proceeds will be used primarily to reduce bank debt and strengthen the financial structure of the company.

The adhesives business includes the following brands: Resistol(TM), Resistolito(TM) and Simon(TM) and the waterproofing business includes: Fester(TM), Acriton(TM) and Resikon(TM) brands.

DESC, S.A. DE C.V. (NYSE: DES; BMV: DESC) is one of Mexico's largest industrial groups with sales of approximately US\$ 2.0 billion during 2002 and more than 16,000 employees. Through its subsidiaries, the Company is a leading operator in the Autoparts, Chemical, Food and Real Estate Sectors.

This press release contains "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) that reflect the current views of Desc's management with respect to future events. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," and "should" and similar expressions generally are intended to identify forward-looking statements. These statements are subject to risks, uncertainties and changes in circumstances. Actual results may differ materially from present expectations as a result of many factors, including, but not limited to, changes in global and domestic political, economic, business, competitive, market and regulatory factors, the cyclical nature of the autoparts and chemicals industries and other factors which are described under the heading "Risk Factors" in Desc's most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Desc does not assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.

DESC ANNOUNCES THIRD QUARTER 2003 RESULTS  
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Mexico City, October 23, 2003 - Desc, S.A. de C.V. (NYSE: DES; BMV: DESC) announced today its results for the third quarter ended September 30, 2003 (3Q03). All figures were prepared according to generally accepted accounting principles in Mexico.

HIGHLIGHTS  
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Desc's operating results for 3Q03 declined when compared to 3Q02; operating income dropped by 63.0% and EBITDA declined by 32.1% mainly due to the following factors:

- o Lower demand from OEMs due to temporary shutdowns and the elimination of sales to DaimlerChrysler due to the closing of its plant in Mexico City, which affected the pick-up boxes and stamping, axles and propeller shafts businesses.
- o Higher raw material costs in the Chemical Sector, which affected the polymers and specialities products divisions.
- o Strong results in the Real Estate Sector due to sales in the Bosques de Santa Fe and Punta Mita projects.

Desc sold its adhesives and waterproofing businesses in September of 2003, the proceeds of which will be used to strengthen its financial structure.

DESC, S.A. DE C.V. AND SUBSIDIARIES  
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TABLE 1. CONSOLIDATED FIGURES

Figures in millions of constant Pesos (Ps.) and U.S. dollars (US\$)

|                            | 3Q03  | 3Q02  | 3Q03<br>vs.<br>3Q02 |
|----------------------------|-------|-------|---------------------|
| Sales (Ps.) (3)            | 5,262 | 5,064 | 3.9%                |
| SALES (US\$) (1)           | 488   | 490   | -0.4%               |
| EXPRTS (US\$) (2)          | 217   | 222   | -2.2%               |
| Operating Income (Ps.) (3) | 146   | 374   | -61.1%              |

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|                                |      |      |        |
|--------------------------------|------|------|--------|
| OPERATING INCOME (US\$) (1)    | 13   | 36   | -63.0% |
| -----                          |      |      |        |
| Operating Margin               | 2.7% | 7.3% |        |
| -----                          |      |      |        |
| EBITDA4 (Ps.) (3)              | 491  | 693  | -29.2% |
| -----                          |      |      |        |
| EBITDA4 (US\$) (1)             | 45   | 67   | -32.1% |
| -----                          |      |      |        |
| Net Majority Income (Ps.) (3)  | -384 | -179 | NA     |
| -----                          |      |      |        |
| NET MAJORITY INCOME (US\$) (1) | -36  | -18  | NA     |
| -----                          |      |      |        |

(1) Figures in U.S. dollars for sales, operating income, EBITDA and net income are calculated using monthly figures in current pesos divided by the average monthly exchange rate.

(2) All export figures are based on real sales invoiced in U.S. dollars.

(3) All figures in this report are expressed in constant pesos as of September 30, 2003.

(4) "EBITDA" as used in this Press Release is Operating Income (Loss) plus the sum of Depreciation and Amortization (these under Mexican GAAP), and is presented because we believe that this term provides useful information regarding our debt service ability. "EBITDA" should not be considered in isolation or as a substitute for our consolidated income statements or other financial statements prepared in accordance with Mexican GAAP or as a measure of profitability or liquidity. NOTE: Please refer to the end of this release to the Non GAAP Financial reconciliation Schedule.

### THIRD QUARTER 2003 RESULTS

#### SALES

Sales in dollars for 3Q03 declined 0.4% to US \$488 million when compared to US \$490 million reported in 2Q03, due to lower sales in the Automotive Sector.

Year-over-year, sales from the Automotive Sector decreased by 12.9% due to the decline in vehicle demand from Mexico and the U.S. In the Chemical Sector, sales dropped 1.1% as a result of pressures from increased competition, as well as a decrease of construction, particularly for public works.

In the Food Sector, the 16.6% increase in revenues was mainly due to improved results in the branded products division and the closing of the pork business in the Bajío operations during the 3Q02.

In the Real Estate Sector, sales increased 49.4% YoY due to higher revenues in the Bosques de Santa Fe and Punta Mita Projects.

#### GRAPH 1 - NET SALES 3Q03

| Sector      | Net Sales 2Q03 (%) |
|-------------|--------------------|
| -----       |                    |
| CHEMICAL    | 38%                |
| AUTOMOTIVE  | 37%                |
| FOOD        | 18%                |
| REAL ESTATE | 7%                 |

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### EXPORTS

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Total exports during 3Q03 reached US \$217 million, a 2.2% decline compared to the figure reported during 3Q02. This decrease was a result of a negative effect to the Automotive Sector, which declined by 6.1%, due to the Mexican exportation platforms.

During the third quarter of 2003, exports represented 44.5% of total sales.

### OPERATING INCOME AND OPERATING MARGIN

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Year-over-Year, consolidated operating income in dollars dropped 63.0% from US \$36 million to US \$13 million, due to lower results in the Automotive, Chemical and Food Sectors, which posted declines of 99.2%, 57.2% and 61.9%, respectively. These were mainly due to lower demand from the U.S. market, the closing of the DaimlerChrysler operations in 2002, and the increase in raw material prices experienced during the quarter in the Chemical Sector.

On the other hand, the Real Estate Sector registered an increase in its operating income in dollars of 251.6% to US \$9.0 million in 3Q03 from US \$3.0 million in 3Q02.

### TAXES

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During the quarter, tax provisions reached US \$5 million, which included Income and Asset Taxes and Employee Profit Sharing, a 67.0% decline compared to 3Q02, reflecting a lower operating result. The net amount of deferred taxes was US \$(3.5) million.

### NET MAJORITY INCOME (LOSS)

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Net majority loss for 3Q03 was US \$36 million mainly due to a higher exchange rate loss caused by a near 9.0% depreciation of the peso versus the dollar during the quarter compared with the 3Q02, as well as a lower operating result.

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THIRD QUARTER 2003 RESULTS

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### DEBT STRUCTURE

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Quarter-over-quarter, Desc posted a US \$20 million net debt decrease, mainly due to the divestiture of the adhesives and waterproofing material businesses in the Chemical Sector. This was partially offset by debt derived from working capital requirements in the Autoparts and Chemical Sectors.

Year-over-year, the Company's net debt increased by 5.1% to US \$967 million.

### TABLE 2. DEBT BREAKDOWN

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(Figures in millions of U.S. dollars)

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|                   | Sep 30-<br>02 | Dec 31-<br>02 | Mar 31-<br>03 | Jun 30-<br>03 |
|-------------------|---------------|---------------|---------------|---------------|
| Cash              | 163           | 232           | 103           | 82            |
| Total Debt        | 1,083         | 1,178         | 1,082         | 1,069         |
| Net Debt          | 920           | 946           | 979           | 987           |
| Interest Coverage | 3.8x          | 3.4x          | 3.0x          | 3.0x          |
| Leverage Ratio*   | 3.4x          | 4.4x          | 4.9x          | 4.9x          |
| Leverage Ratio**  | 3.3x          | 4.2x          | 4.7x          | 4.6x          |

\*TOTAL DEBT - CASH + US \$50 MILLION / EBITDA LAST 12 MONTHS.

\*\*TOTAL DEBT - CASH / EBITDA LAST 12 MONTHS.

At the end of the third quarter of 2003, Desc's debt composition was 70% dollar-denominated and 30% peso-denominated. Desc's debt profile at the end of the 3Q03 is 71% in long-term debt and 29% in short-term debt. The average cost of debt was 5.0% for the dollar-denominated, and 7.4% for the peso-denominated one, compared to 4.8% and 8.5%, respectively in 3Q02.

DEBT REFINANCING

Desc is in the process of renegotiating approximately 70% of its total consolidated debt, the equivalent of approximately US \$700 million, with its main creditors. This amount includes approximately US \$410 million in syndicated loans and short-term credit lines, mainly for working capital needs.

Given that during the first three quarters of 2003, Desc failed to meet the leverage ratio covenant in its two syndicated credit agreements, it initiated discussions with the applicable financial institutions beginning last quarter in order to resolve the default. To date, Desc has complied and met with all other credit obligations and principal and interest payments under its credit agreements.

Once this process is completed, the restructuring will give Desc greater financial flexibility and enable it to comply with the conditions stipulated in its credit agreements. This refinancing is led by Citigroup, BBVA Bancomer and Inbursa Grupo Financiero.

To date, Desc has met with these banks and all of its creditors in New York and in Mexico City. Desc expects to conclude these negotiations in the next few months.

As part of this renegotiation, the Board of Directors approved the granting of certain guarantees, the commitment of satisfying new financial ratios and the allocation of part of the proceeds from the sale of assets to prepay the bank debt once the restructuring process is concluded, and as result cash levels will experience a significant decline.

## DIVESTITURES

In the third quarter of 2003, Desc sold the assets of its adhesives and waterproofing businesses in the Branded Products Division to the Henkel Group. The amount of the transaction will not be disclosed. The proceeds of this transaction will be used to strengthen the Company's financial structure.

## ADOPTION OF BULLETIN C-15 "VALUATION AND TREATMENT OF LONG-TERM ASSET

## DETERIORATION"

The objective of this Bulletin is to identify the possible deterioration of tangible and intangible fixed assets and goodwill amortization. It establishes the criteria for recognizing losses in these items, and the manner in which to present them in the financial statements, including discontinued operations.

Long term assets are those assets needed for operating the business, including those expecting to provide future benefits (cash flow), be it operational or corporate.

Due to the fact that it will be mandatory to apply Bulletin C-15 starting in 2004, the Company has initiated the process of valuing its different assets and expects there to be a relevant charge in the Income Statement once this valuation is completed.

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## RESULTS BY SECTOR

## AUTOMOTIVE SECTOR [AUTOMOTRIZ LOGO]

The following table (Table 3) shows the figures obtained in the Automotive Sector.

TABLE 3. DESC AUTOMOTIVE FIGURES

(Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$))

|              | 3Q03  | 3Q02  | 3Q03<br>vs.<br>3Q02 |
|--------------|-------|-------|---------------------|
| Sales (Ps.)  | 1,910 | 2,100 | -9.1%               |
| SALES (US\$) | 177   | 203   | -12.9%              |

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|                         |      |      |        |
|-------------------------|------|------|--------|
| EXPORTS (US\$)          | 121  | 128  | -6.1%  |
| Operating Income (Ps.)  | 2.3  | 156  | -98.5% |
| OPERATING INCOME (US\$) | 0.1  | 15   | -99.2% |
| Operating Margin        | 0.1% | 7.4% |        |
| EBITDA (Ps.) (1)        | 188  | 332  | -43.6% |
| EBITDA (US\$) (1)       | 17   | 32   | -46.1% |

(1) All EBITDA figures used in this report are calculated as Operating Income (Loss) plus the sum of Depreciation and Amortization (according to Mexican GAAP). This information is included since it is useful for our credit contracts. EBITDA should not substitute income or cash flow in our Consolidated Income Statement or any other Financial Statement prepared according to Mexican GAAP.

NOTE: Please refer to the end of this release to the Non GAAP Financial Reconciliation Schedule.

During 3Q03, sales and operating income in dollars declined by 12.9% and 99.2%, respectively, compared to 3Q02 as a result of:

- a) Lower sales in the axle, propeller shaft and pick-up box businesses due to the closing of the DaimlerChrysler plant in Mexico City. In the aluminum and steel wheel, cv joint and light and heavy duty transmission businesses, the declines were due to lower orders from OEMs in the United States and Mexico.
- b) OEMs such as GM, Ford, RenaultNissan and VW continued having technical shutdowns during the quarter due to high inventory levels.
- c) The domestic aftermarket division posted lower sales in the piston business due to the reuse of these components.
- d) Mexico's total vehicle production as of September 30, 2003 was 1,214,564 units, which represents a 15.0% decline compared to the same period of 2002.
- e) Total vehicle production in the United States, from January through September 2003, was 9,056,709 units, which represents a 3.0% decline versus the same period of 2002.

These factors caused operating income to reach US \$0.1 million, with an operating margin of 0.1% and EBITDA of US \$17 million.

During the third quarter the implementation of the Tractor Project continued. This project which consists of manufacturing components for axles, half-axles and output shafts contributed sales of US \$42.7 million during 2003 and US\$ 17.4 million during 3Q03.

The increases in volumes year-over-year are listed below:

- |X| pins 42.6% and,
- |X| propeller shafts 27.3%.



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THIRD QUARTER 2003 RESULTS

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Year-over-year, the most significant volume reductions were in the following businesses:

- |X| pick-up boxes 100.0%,
- |X| aluminum wheels 33.7%,
- |X| steel wheels 29.5%,
- |X| heavy-duty transmissions 27.1%,
- |X| light transmissions 20.5% and,
- |X| pistons 16.0%.

Export sales reached US \$121 million, a 6.1% decline compared to the same quarter in 2002.

The average capacity utilization in the transmission, stamping, axle and propeller shaft businesses reached approximately 54%.

During 3Q03, investments were made in the following projects:

1. Tractor Project - US \$4.2 million to complete the installation and validation of the machinery which was moved from the United States to Queretaro and the State of Mexico,
2. CV joint plant - US \$1.6 million invested in expansion and maintenance of production lines, and,
3. Maintenance - US \$3.0 million for maintenance of the remaining operations.

OTHER EVENTS

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Starting in the third quarter of 2003, due to its high manufacturing quality, the gear business began supplying components for the front axle to BMW North America for its X5 platform as well as components for the front axle to Nissan for its ZW platform.

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THIRD QUARTER 2003 RESULTS

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CHEMICAL SECTOR

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Table 4 shows the figures obtained in the Chemical Sector.

TABLE 4. CHEMICAL SECTOR FIGURES

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(Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$))

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|                         | 3Q03  | 3Q02  | 3Q03<br>vs.<br>3Q02 | 2 |
|-------------------------|-------|-------|---------------------|---|
| Sales (Ps.)             | 1,971 | 1,914 | 3.0%                | 1 |
| SALES (US\$)            | 183   | 185   | -1.1%               |   |
| EXPORTS (US\$)          | 69    | 68    | 2.3%                |   |
| Operating Income (Ps.)  | 52    | 119   | -56.1%              |   |
| OPERATING INCOME (US\$) | 5     | 11    | -57.2%              |   |
| Operating Margin        | 2.7%  | 6.2%  |                     |   |
| EBITDA (Ps.) (1)        | 139   | 208   | -33.1%              |   |
| EBITDA (US\$) (1)       | 13    | 20    | -35.3%              |   |

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NOTE: Please refer to the end of this release to the Non GAAP Financial reconciliation Schedule.

During 3Q03, dollar sales declined slightly, 1.1% compared to 3Q02, from US \$185 million to US \$183 million. Operating income and EBITDA in dollars declined 57.2% and 35.3%, respectively, compared to 3Q02 due to the increases in raw material prices affecting mainly the polymers and specialized products businesses.

It is worth noting that during the third quarter of 2003, the ecosystems division which consists of the phosphate and laminates businesses improved its operating income and EBITDA in dollars by 11.3% and 1.2%, respectively, when compared to 3Q02 due to improvements in the phosphates business, resulting from improvements in the operation and in raw material prices.

Exports for the quarter increased 2.3%, from US \$68 million in 3Q02, to US \$69 million in 3Q03, demonstrating the market diversification effort done by our divisions.

During 3Q03 Desc continued to experience pressure from our clients to maintain prices of our finished products.

Compared to 3Q02, Desc's main raw materials such as butadiene monomer, natural gas, acetocyanohidrine and high sulfate full oil (HSFO) registered price increases of 36.8%, 61.6%, 20.5% and 20.6%, respectively. These raw material price increases have not been entirely passed on to final prices due to the current market conditions.

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Capex reached US \$2.8 million, allocated to meet future demand in the rubber business for polymers and specialties products.

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THIRD QUARTER 2003 RESULTS

FOOD SECTOR [FOOD SECTOR LOGO]

Table 5 shows the figures obtained in the Food Sector.

TABLE 5. FOOD SECTOR FIGURES

(Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$))

|                          | 3Q03 | 3Q02  | 3Q03<br>vs.<br>3Q02 |
|--------------------------|------|-------|---------------------|
| Sales (Ps.)              | 957  | 787   | 21.7%               |
| SALES (US \$)            | 89   | 76    | 16.6%               |
| EXPORTS (US \$)          | 27   | 26    | 4.9%                |
| Operating Income (Ps.)   | 40   | 101   | -60.7%              |
| OPERATING INCOME (US \$) | 4    | 10    | -61.9%              |
| Operating Margin         | 4.1% | 12.6% |                     |
| EBITDA (Ps.) (1)         | 81   | 131   | -38.0%              |
| EBITDA (US\$) (1)        | 8    | 13    | -40.1%              |

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NOTE: Please refer to the end of this release to the Non GAAP Financial reconciliation Schedule.

The following table provides the operating margins of the branded products and pork businesses:

TABLE 6. FOOD SECTOR - RELEVANT FIGURES

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\*The Pork Business figures include the effect of the closing of the Bajio region operations in the 3Q02.

The results by division are as follows:

|                          | 3Q03 | 3Q02  |
|--------------------------|------|-------|
| <b>BRANDED PRODUCTS</b>  |      |       |
| Sales (millions of US\$) | 57   | 51    |
| Operating Margin         | 4.7% | 7.9%  |
| <b>PORK BUSINESS</b>     |      |       |
| Sales (millions of US\$) | 32   | 25    |
| Operating Margin         | 3.1% | 22.2% |
| <b>FOOD CONSOLIDATED</b> |      |       |
| Sales (millions of US\$) | 89   | 76    |
| Operating Margin         | 4.1% | 12.6% |

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THIRD QUARTER 2003 RESULTS

### BRANDED PRODUCTS

During 3Q03, net sales increased 11.0% when compared to 3Q02, due to the strong performance of "Del Fuerte" brand tomato puree, "Embasa" brand ketchup and higher exports to the U.S. in the coffee business, as well as the price increases in the majority of categories in the domestic market.

In ASF (Authentic Specialty Foods), the branded products business in the U.S., the new products launched under the "La Victoria" and "Embasa" brands have been well accepted. In Mexico, the chiles and salsas "Del Fuerte" continue increasing its sales, as well as higher sales of "Zuko" brand powdered beverage mix, have offset the drop in demand stemming from lower economic activity in the U.S. and Mexico.

The numbers reported for 3Q02 were not representative and demonstrated an extraordinary behavior due to an adjustment of inventories. As a result of this, the operating margin in the branded products division declined from 7.9% in 3Q02 to 4.7% in 3Q03.

### PORK BUSINESS

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During the quarter, sales in the Pork Business increased 27.8% when compared to 3Q02.

The operating margin in the 3Q03 was 3.1% compared to 22.2% reported in 3Q02 due to the closing of the Bajio operation in 2002. For this reason sales figures and operating margin are not comparable.

Considering pork operations in the Bajio during the 3Q02, operating margin improved from -10.4% to 3.1% in the 3Q03, based on Pork price increases, from \$10.90 per kg in 3Q02 to \$13.10 per kg in 3Q03.

Capacity utilization remained at 100% in the Southeast region, due to a high demand.

Investments in fixed assets reached US \$0.22 million, which was allocated to equipment to maintain and modify the infrastructure of farms.

Graph 2: National Pork Price

[Graph Displaying National Pork Prices. Source is national market information systems (SECOFI).]

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### THIRD QUARTER 2003 RESULTS

REAL ESTATE SECTOR [REAL ESTATE SECTOR LOGO]

Following are the results for the Real Estate Sector for the third quarter of 2003:

TABLE 7. DINE FIGURES

Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$)

|                          | 3Q03  | 3Q02  | 3Q03<br>vs.<br>3Q02 |
|--------------------------|-------|-------|---------------------|
| Sales (Ps.)              | 393   | 251   | 56.8%               |
| SALES (US \$)            | 36    | 24    | 49.4%               |
| Operating Income (Ps.)   | 99    | 27    | 264.2%              |
| OPERATING INCOME (US \$) | 9     | 3     | 251.6%              |
| Operating Margin         | 24.9% | 10.6% |                     |
| EBITDA (Ps.) (1)         | 105   | 37    | 181.3%              |
| EBITDA (US\$) (1)        | 10    | 4     | 170.3%              |

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NOTE: Please refer to the end of this release to the Non GAAP Financial reconciliation Schedule.

Sales in 3Q03 reached US \$36 million, an increase of 49.4% when compared to 3Q02, driven mainly by the residential project Bosques de Santa Fe.

Operating margin for 3Q03 was 24.9%, compared to 10.6% during 3Q02 due to greater sales and lower operating expenses during the quarter.

Sales for the 3Q03 were as follows:

- |X| Bosques de Santa Fe 63.7%,
- |X| Punta Mita 14.3%,
- |X| Completed inventory (Bosques de las Lomas) 12.5% and,
- |X| Commercial lots 9.5%.

During this quarter, the Real Estate Sector sold 11 residential lots and one lot for the development of apartments in the Bosques de Santa Fe project. With these sales, 86% of the single-family and 57% of the multi-family residential lots have been sold.

In Punta Mita, Desc we completed the sale of 2 beachfront lots and one lot for the expansion of the Four Seasons Hotel. Investments in this project during the quarter were US \$0.5 million.

In Arcos Bosques, the construction of North Building "C" continued on schedule and within budget and is set for completion before year-end. During the quarter, US \$2.1 million were invested in the project.

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THIRD QUARTER 2003 RESULTS

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\*\* TABLES TO FOLLOW \*\*

THIRD QUARTER 2003 RESULTS

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| FINANCIAL INDICATORS    |      |      |      |      |      |
|-------------------------|------|------|------|------|------|
|                         | 3Q03 | 2Q03 | 1Q03 | 4Q02 | 3Q02 |
| Interest Coverage       | 2.7x | 3.0x | 3.0x | 3.3x | 3.8x |
| Short-term debt         | 29%  | 27%  | 23%  | 28%  | 20%  |
| Long-term debt          | 71%  | 73%  | 77%  | 72%  | 80%  |
| Peso-denominated debt   | 30%  | 32%  | 31%  | 39%  | 32%  |
| Dollar-denominated debt | 70%  | 68%  | 69%  | 61%  | 68%  |

| SHARES OUTSTANDING |               |        |
|--------------------|---------------|--------|
| "A" Shares         | 587,479,900   | 42.9%  |
| "B" Shares         | 506,257,866   | 37.0%  |
| "C" Shares         | 275,341,610   | 20.1%  |
| TOTAL              | 1,369,079,376 | 100.0% |

To reconcile all Non GAAP items the following tables, which include Depreciation and Amortization figures, are provided:

NON GAAP RECONCILIATION SCHEDULE TABLES

DESC, S.A. DE C.V. AND SUBSIDIARIES  
 Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$)

|                                     | 3Q03 | 3Q02 | 3Q03<br>vs.<br>3Q02 |
|-------------------------------------|------|------|---------------------|
| Operating Profit/ (Loss) pesos      | 146  | 374  | -61.1%              |
| Operating Profit US \$              | 13   | 36   | -63.0%              |
| Depreciation and Amortization pesos | 345  | 319  | 8.2%                |
| Depreciation y Amortization US \$   | 32   | 31   | 3.2%                |
| EBITDA pesos                        | 491  | 693  | -29.2%              |
| EBITDA US \$                        | 45   | 67   | -32.1%              |

AUTOMOTIVE SECTOR

Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$)

3Q03  
vs.

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|                                     | 3Q03 | 3Q02 | 3Q02   |
|-------------------------------------|------|------|--------|
| Operating Profit/ (Loss) pesos      | 2.3  | 156  | -98.5% |
| Operating Profit US \$              | 0.1  | 15   | -99.2% |
| Depreciation and Amortization pesos | 186  | 176  | 5.5%   |
| Depreciation y Amortization US \$   | 17   | 17   | -0.6%  |
| EBITDA pesos                        | 188  | 332  | -43.6% |
| EBITDA US \$                        | 17   | 32   | -46.1% |

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THIRD QUARTER 2003 RESULTS

CHEMICAL SECTOR

Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$)

|                                     | 3Q03 | 3Q02 | 3Q03<br>vs.<br>3Q02 |
|-------------------------------------|------|------|---------------------|
| Operating Profit/ (Loss) pesos      | 52   | 119  | -56.1%              |
| Operating Profit US \$              | 5    | 11   | -57.2%              |
| Depreciation and Amortization pesos | 87   | 89   | -2.4%               |
| Depreciation y Amortization US \$   | 8    | 9    | -6.1%               |
| EBITDA pesos                        | 139  | 208  | -33.1%              |
| EBITDA US \$                        | 13   | 20   | -35.3%              |

FOOD SECTOR

Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$)

|                                     | 3Q03 | 3Q02 | 3Q03<br>vs.<br>3Q02 |
|-------------------------------------|------|------|---------------------|
| Operating Profit/ (Loss) pesos      | 40   | 101  | -60.7%              |
| Operating Profit US \$              | 4    | 10   | -61.9%              |
| Depreciation and Amortization pesos | 41   | 30   | 37.7%               |
| Depreciation y Amortization US \$   | 4    | 3    | 30.8%               |



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|              |    |     |        |
|--------------|----|-----|--------|
| EBITDA pesos | 81 | 131 | -38.0% |
| EBITDA US \$ | 8  | 13  | -40.1% |

REAL ESTATE SECTOR

Figures in millions of constant pesos (Ps.) and U.S. dollars (US\$)

|                                     | 3Q03 | 3Q02 | 3Q03<br>vs.<br>3Q02 |
|-------------------------------------|------|------|---------------------|
| Operating Profit/ (Loss) pesos      | 99   | 27   | 264.2%              |
| Operating Profit US \$              | 9    | 3    | 251.6%              |
| Depreciation and Amortization pesos | 6    | 10   | -37.8%              |
| Depreciation y Amortization US \$   | 0.6  | 1.0  | -39.8%              |
| EBITDA pesos                        | 105  | 37   | 181.3%              |
| EBITDA US \$                        | 10   | 4    | 170.3%              |

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THIRD QUARTER 2003 RESULTS

DESC, S.A. DE C.V. AND SUBSIDIARIES

Consolidated Balance Sheet

(In millions of constant pesos, as of September 30, 2003)

|  | 3Q03          |
|--|---------------|
| <b>ASSETS</b>  |               |
| <b>Current Assets:</b>                                 |               |
| Cash and Short Term Investments                        | 1,278         |
| Account and Documents Receivable                       | 6,214         |
| Inventories and Other Assets                           | 3,088         |
| <b>TOTAL CURRENT ASSETS</b>                            | <b>10,580</b> |
| Land held for development and real estate projects     | 3,660         |
| Fixed Assets   | 12,507        |
| Investments in shares of Subsidiaries Non Consolidated | 43            |
| Other Assets   | 2,790         |
| <b>TOTAL ASSETS</b>                                    | <b>29,580</b> |

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|  |  |         |
|--|--|---------|
| LIABILITIES                                |  |         |
| Current Liabilities:                       |  |         |
| Banks Loans                                |  | 3,491   |
| Suppliers                                  |  | 1,874   |
| Taxes to be paid                           |  | 698     |
| Other Liabilities                          |  | 1,646   |
| -----                                      |  |         |
| TOTAL CURRENT LIABILITIES                  |  | 7,709   |
| -----                                      |  |         |
| Long-Term Debt                             |  | 8,353   |
| Deferred taxes                             |  | 1,391   |
| Other                                      |  | 580     |
| -----                                      |  |         |
| TOTAL LIABILITIES                          |  | 18,033  |
| -----                                      |  |         |
| STOCKHOLDERS' EQUITY                       |  |         |
| Capital Stock                              |  | 18      |
| Paid-in Surplus                            |  | 1,170   |
| Retained Earnings and Capital Reserve      |  | 20,387  |
| Other                                      |  | -13,897 |
| -----                                      |  |         |
| TOTAL MAJORITY INTEREST                    |  | 7,678   |
| -----                                      |  |         |
| Minority Interest                          |  | 3,869   |
| TOTAL STOCKHOLDERS' EQUITY                 |  | 11,547  |
| -----                                      |  |         |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY |  | 29,580  |
| -----                                      |  |         |

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THIRD QUARTER 2003 RESULTS

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DESC, S.A. DE C.V. AND SUBSIDIARIES  
 Consolidated Income Statements  
 (In millions of constant pesos, as of September 30, 2003)

|                                     | 3Q03  | 3Q02  |
|-------------------------------------|-------|-------|
| Net Sales                           | 5,262 | 5,064 |
| Cost of Sales                       | 4,115 | 3,772 |
| -----                               |       |       |
| GROSS PROFIT                        | 1,147 | 1,292 |
| -----                               |       |       |
| Operating Expenses:                 |       |       |
| Administrative and Selling Expenses | 1,001 | 918   |
| -----                               |       |       |

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|   |        |        |
|---|--------|--------|
| OPERATING INCOME                                      | 146    | 374    |
| Interest Expense                                      | 245    | 259    |
| Interest Income                                       | (11)   | (55)   |
| Exchange Gain (loss), net                             | 303    | 190    |
| Gain on Monetary Position                             | (71)   | (103)  |
| COMPREHENSIVE FINANCIAL RESULT                        | 466    | 291    |
| OTHER EXTRAORDINARY INCOME OR EXPENSES                | 33     | 272    |
| INCOME BEFORE PROVISIONS                              | (352)  | (189)  |
| Provisions for:                                       |        |        |
| Income and Asset Tax                                  | 35     | 126    |
| Employee Profit Sharing                               | 19     | 29     |
| Deferred Income Taxes                                 | (36)   | (128)  |
| TOTAL TAXES   | 18     | 27     |
| NET CONSOLIDATED INCOME                               | (370)  | (216)  |
| Minority Interest                                     | 14     | (37)   |
| MAJORITY NET INCOME                                   | (384)  | (179)  |
| 12 months Net Income per Share                        | (0.98) | (0.35) |
| Number of shares outstanding:<br>(Millions of shares) | 1,369  | 1,369  |
| EBITDA  | 491    | 693    |

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THIRD QUARTER 2003 RESULTS

| Accum.<br>2003 | 3Q03 | 2Q03 | 1Q03 |
|----------------|------|------|------|
|----------------|------|------|------|

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SALES (US\$)

|                    |       |     |     |     |
|--------------------|-------|-----|-----|-----|
| Consolidated       | 1,509 | 488 | 550 | 471 |
| Automotive Sector  | 533   | 177 | 176 | 179 |
| Chemical Sector    | 550   | 183 | 179 | 187 |
| Food Sector        | 258   | 89  | 85  | 83  |
| Real Estate Sector | 165   | 36  | 107 | 21  |

EXPORTS (US\$)

|                   |     |     |     |     |
|-------------------|-----|-----|-----|-----|
| Consolidated      | 645 | 217 | 212 | 216 |
| Automotive Sector | 357 | 121 | 120 | 117 |
| Chemical Sector   | 209 | 69  | 66  | 73  |
| Food Sector       | 79  | 27  | 26  | 26  |

OPERATING INCOME

|                    |    |    |    |    |
|--------------------|----|----|----|----|
| Consolidated       | 75 | 13 | 42 | 20 |
| Automotive Sector  | 15 | 0  | 4  | 11 |
| Chemical Sector    | 14 | 5  | 5  | 4  |
| Food Sector        | 7  | 4  | 2  | 1  |
| Real Estate Sector | 47 | 9  | 33 | 5  |

OPERATING MARGIN

|                    |       |       |       |       |
|--------------------|-------|-------|-------|-------|
| Consolidated       | 5.0%  | 2.8%  | 7.7%  | 4.2%  |
| Automotive Sector  | 2.8%  | 0.1%  | 2.3%  | 6.0%  |
| Chemical Sector    | 2.5%  | 2.7%  | 2.9%  | 2.0%  |
| Food Sector        | 2.7%  | 4.1%  | 2.8%  | 1.0%  |
| Real Estate Sector | 28.5% | 24.9% | 30.5% | 24.7% |

EBITDA (US\$)

|                    |     |    |    |    |
|--------------------|-----|----|----|----|
| Consolidated       | 170 | 45 | 74 | 51 |
| Automotive Sector  | 66  | 17 | 21 | 28 |
| Chemical Sector    | 38  | 13 | 13 | 12 |
| Food Sector        | 18  | 8  | 6  | 5  |
| Real Estate Sector | 49  | 10 | 33 | 6  |

\* Actual figures.

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This press release contains "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) that reflect the current views of Desc's management with respect to future events. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," and "should" and similar expressions generally are intended to identify forward-looking statements. These statements are subject to risks, uncertainties and changes in circumstances. Actual results may differ materially from present expectations as a result of many factors, including, but not limited to, changes in global and domestic political, economic, business, competitive, market and regulatory factors, the cyclical nature of the autoparts and chemicals industries and other factors which are described under the heading "Risk Factors" in Desc's most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Desc does not assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.

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ITEM 2

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CONSOLIDATED BALANCE SHEET  
AT SEPTEMBER 30th OF 2003 AND 2002  
(Thousands of Pesos)

| REF S |   | THIRD QUARTER OF<br>PRESENT FINANCIAL<br>YEAR | THIRD QUARTER OF<br>PREVIOUS<br>YEAR | AMOUNT | % | AMOUNT     |
|-------|---|---|--------------------------------------|--------|---|------------|
| 1     | TOTAL ASSETS  | 29,579,788                                    | 100%                                 |        |   | 30,000,000 |
| 2     | CURRENT ASSETS  | 10,579,503                                    | 36%                                  |        |   | 9,500,000  |
| 3     | CASH AND SHORT-TERM INVESTMENTS   | 1,277,545                                     | 4%                                   |        |   | 1,700,000  |
| 4     | ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)                                 | 4,592,093                                     | 16%                                  |        |   | 3,100,000  |
| 5     | OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE                                 | 1,621,405                                     | 5%                                   |        |   | 1,400,000  |
| 6     | INVENTORIES   | 3,013,680                                     | 10%                                  |        |   | 3,100,000  |
| 7     | OTHER CURRENT ASSETS  | 74,780  | 0%                                   |        |   |            |
| 8     | LONG-TERM   | 3,703,191                                     | 13%                                  |        |   | 4,200,000  |
| 9     | ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)                                 | 0   | 0%                                   |        |   |            |
| 10    | INVESTMENT IN SHARES OF SUBSIDIARIES AND<br>NON-CONSOLIDATED ASSOCIATED | 43,101  | 0%                                   |        |   | 1,000,000  |
| 11    | OTHER INVESTMENTS   | 3,660,090                                     | 12%                                  |        |   | 4,100,000  |
| 12    | PROPERTY, PLANT AND EQUIPMENT   | 12,507,207                                    | 42%                                  |        |   | 13,400,000 |
| 13    | PROPERTY  | 6,960,407                                     | 24%                                  |        |   | 7,000,000  |
| 14    | MACHINERY AND INDUSTRIAL EQUIPMENT (NET)                                | 16,364,563                                    | 55%                                  |        |   | 16,200,000 |
| 15    | OTHER EQUIPMENT   | 1,982,284                                     | 7%                                   |        |   | 2,000,000  |
| 16    | ACCUMULATED DEPRECIATION  | 13,646,257                                    | 46%                                  |        |   | 12,600,000 |
| 17    | CONSTRUCTION IN PROGRESS  | 846,210                                       | 3%                                   |        |   | 700,000    |
| 18    | DEFERRED ASSETS (NET)   | 1,570,003                                     | 5%                                   |        |   | 1,500,000  |
| 19    | OTHER ASSETS  | 1,219,884                                     | 4%                                   |        |   | 1,200,000  |
| 20    | TOTAL LIABILITIES   | 18,032,878                                    | 100%                                 |        |   | 17,300,000 |
| 21    | CURRENT LIABILITIES   | 7,708,844                                     | 43%                                  |        |   | 7,000,000  |
| 22    | SUPPLIERS   | 1,874,251                                     | 10%                                  |        |   | 1,900,000  |
| 23    | BANK LOANS  | 3,490,742                                     | 19%                                  |        |   | 2,200,000  |

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|    |   |             |       |       |
|----|---|-------------|-------|-------|
| 24 | STOCK MARKET LOANS                                      | 0           | 0%    |       |
| 25 | TAXES TO BE PAID  | 697,928     | 4%    | 7     |
| 26 | OTHER CURRENT LIABILITIES                               | 1,645,923   | 9%    | 2,0   |
| 27 | LONG-TERM LIABILITIES                                   | 8,353,041   | 46%   | 9,0   |
| 28 | BANK LOANS  | 6,109,915   | 34%   | 6,8   |
| 29 | STOCK MARKET LOANS                                      | 2,243,126   | 12%   | 2,2   |
| 30 | OTHER LOANS   | 0           | 0%    |       |
| 31 | DEFERRED LOANS  | 1,391,259   | 8%    | 7     |
| 32 | OTHER LIABILITIES                                       | 579,734     | 3%    | 5     |
| 33 | CONSOLIDATED STOCK HOLDERS' EQUITY                      | 11,546,910  | 100%  | 12,6  |
| 34 | MINORITY INTEREST                                       | 3,869,231   | 34%   | 3,9   |
| 35 | MAJORITY INTEREST                                       | 7,677,679   | 66%   | 8,7   |
| 36 | CONTRIBUTED CAPITAL                                     | 12,084,174  | 105%  | 12,5  |
| 37 | PAID-IN CAPITAL STOCK (NOMINAL)                         | 17,798      | 0%    |       |
| 38 | RESTATEMENT OF PAID-IN CAPITAL STOCK                    | 10,895,986  | 94%   | 11,3  |
| 39 | PREMIUM ON SALES OF SHARES                              | 1,170,390   | 10%   | 1,1   |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES              |             |       |       |
| 41 | CAPITAL INCREASE (DECREASE)                             | -4,406,495  | -38%  | -3,8  |
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE                   | 17,713,372  | 153%  | 18,4  |
| 43 | REPURCHASE FUND OF SHARES                               | 907,079     | 8%    | 9     |
| 44 | EXCESS (SHORTFALL) IN RESTATEMENT OF<br>HOLDER'S EQUITY | -22,442,578 | -194% | -22,8 |
| 45 | NET INCOME FOR THE YEAR                                 | -584,368    | -5%   | -3    |

CONSOLIDATED BALANCE SHEET  
BREAKDOWN OF MAIN CONCEPTS  
(Thousands of Pesos)

| REF S |   | THIRD QUARTER<br>OF PRESENT<br>FINANCIAL YEAR |      |
|-------|---|---|------|
|       |   | AMOUNT  | %    |
| 3     | CASH AND SHORT-TERM INVESTMENTS         | 1,277,545                                     | 100% |
| 46    | CASH                                    | 978,139                                       | 77%  |
| 47    | SHORT-TERM INVESTMENTS                  | 299,406                                       | 23%  |
| 18    | DEFERRED ASSETS (NET)                   | 1,570,003                                     | 100% |
| 48    | AMORTIZED OR REDEEMED EXPENSES          | 0   | 0%   |
| 49    | GOODWILL                                | 1,570,003                                     | 100% |
| 50    | DEFERRED TAXES                          | 0   | 0%   |
| 51    | OTHERS                                  | 0   | 0%   |
| 21    | CURRENT LIABILITIES                     | 7,708,844                                     | 100% |
| 52    | FOREIGN CURRENCY LIABILITIES            | 4,455,703                                     | 58%  |
| 53    | MEXICAN PESOS LIABILITIES               | 3,253,141                                     | 42%  |
| 24    | STOCK MARKET LOANS                      | 0   | 0%   |
| 54    | COMMERCIAL PAPER                        | 0   | 0%   |
| 55    | CURRENT MATURITIES OF MEDIUM TERM NOTES | 0   | 0%   |
| 56    | CURRENT MATURITIES OF BONDS             | 0   | 0%   |
| 26    | OTHER CURRENT LIABILITIES               | 1,645,923                                     | 100% |

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|    |  |             |      |
|----|--|-------------|------|
| 57 | OTHER CURRENT LIABILITIES WITH COST                        | 0           | 0%   |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST                     | 1,645,923   | 100% |
| 27 | LONG-TERM LIABILITIES                                      | 8,353,041   | 100% |
| 59 | FOREIGN CURRENCY LIABILITIES                               | 4,983,195   | 60%  |
| 60 | MEXICAN PESOS LIABILITIES                                  | 3,369,846   | 40%  |
| 29 | STOCK MARKET LOANS   | 2,243,126   | 100% |
| 61 | BONDS  | 0           | 0%   |
| 62 | MEDIUM TERM NOTES  | 2,243,126   | 100% |
| 30 | OTHER LOANS  | 0           | 0%   |
| 63 | OTHER LOANS WITH COST                                      | 0           | 0%   |
| 64 | OTHER LOANS WITHOUT COST                                   | 0           | 0%   |
| 31 | DEFERRED LOANS   | 1,391,259   | 100% |
| 65 | NEGATIVE GOODWILL  | 0           | 0%   |
| 66 | DEFERRED TAXES   | 1,391,259   | 100% |
| 67 | OTHERS   | 0           | 0%   |
| 32 | OTHER LIABILITIES  | 579,734     | 100% |
| 68 | RESERVES   | 0           | 0%   |
| 69 | OTHERS LIABILITIES   | 579,734     | 100% |
| 44 | EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDER'S EQUITY | -22,442,578 | 100% |
| 70 | ACCUMULATED INCOME DUE TO MONETARY POSITION                | 0           | 0%   |
| 71 | INCOME FROM NON-MONETARY POSITION ASSETS                   | -22,442,578 | 100% |

CONSOLIDATED BALANCE SHEET  
OTHER CONCEPTS  
(Thousands of Pesos)

| REF S |                                      | THIRD QUARTER OF<br>PRESENT FINANCIAL<br>YEAR<br>AMOUNT | THIRD<br>PREVIO |
|-------|--------------------------------------|---|-----------------|
| 72    | WORKING CAPITAL                      | 2,870,659   | 2               |
| 73    | PENSIONS FUND AND SENIORITY PREMIUMS | 580,238   |                 |
| 74    | EXECUTIVES (*)                       | 0   |                 |
| 75    | EMPLOYERS (*)                        | 5,535   |                 |
| 76    | WORKERS (*)                          | 10,165  |                 |
| 77    | CIRCULATION SHARES (*)               | 1,369,079,376   | 1,369           |
| 78    | REPURCHASED SHARES (*)               | 0   |                 |

(\*) THESE AMOUNTS ARE EXPRESSED IN UNITS

CONSOLIDATED INCOME STATEMENT  
FROM JANUARY 1st TO SEPTEMBER 30th OF 2003 AND 2002

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(Thousands of Pesos)

| REF R |  | THIRD QUARTER<br>PRESENT FINANCIAL<br>YEAR<br>AMOUNT | %   |
|-------|--|--|-----|
| 1     | NET SALES  | 16,246,235   | 100 |
| 2     | COST OF SALES  | 12,616,305   | 77  |
| 3     | GROSS INCOME   | 3,629,930  | 22  |
| 4     | OPERATING EXPENSES   | 2,817,481  | 17  |
| 5     | OPERATING INCOME   | 812,449  | 5   |
| 6     | TOTAL FINANCING COST   | 952,942  | 6   |
| 7     | INCOME AFTER FINANCING COST  | -140,493   | -1  |
| 8     | OTHER FINANCIAL OPERATIONS   | 61,509   | 0   |
| 9     | INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING                                | -202,002   | -1  |
| 10    | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING                                  | 331,370  | 2   |
| 11    | NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING                             | -533,372   | -3  |
| 12    | SHARE IN NET INCOME OF SUBSIDIARIES AND<br>NON-CONSOLIDATED ASSOCIATES         | (1,081)  | 0   |
| 13    | CONSOLIDATED NET INCOME OF CONTINUOUS  | -534,453   | -3  |
| 14    | INCOME OF DISCONTINUOUS OPERATIONS   | -43,470  | -0  |
| 15    | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS                             | -490,983   | -3  |
| 16    | EXTRAORDINARY ITEMS NET EXPENSES (INCOME)                                      | 0  | 0   |
| 17    | NET EFFECT AT THE BEGINNING OF THE YEAR BY<br>CHANGES IN ACCOUNTING PRINCIPLES | 0  | 0   |
| 18    | NET CONSOLIDATED INCOME  | -490,983   | -3  |
| 19    | NET INCOME OF MINORITY INTEREST  | 93,385   | 0   |
| 20    | NET INCOME OF MAJORITY INTEREST  | -584,368   | -4  |

## CONSOLIDATED INCOME STATEMENT BREAKDOWN OF MAIN CONCEPTS (Thousands of Pesos)

| REF R |                               | THIRD QUARTER<br>PRESENT FINANCIAL<br>YEAR<br>AMOUNT |
|-------|-------------------------------|--|
| 1     | NET SALES                     | 16,246,235   |
| 21    | DOMESTIC                      | 9,301,505  |
| 22    | FOREIGN                       | 6,944,730  |
| 23    | TRANSLATED INTO DOLLARS (***) | 644,659  |
| 6     | TOTAL FINANCING COST          | 952,942  |
| 24    | INTEREST PAID                 | 754,358  |
| 25    | EXCHANGE LOSSES               | 361,814  |
| 26    | INTEREST EARNED               | 27,116   |
| 27    | EXCHANGE PROFITS              | 0  |
| 28    | GAIN DUE TO MONETARY POSITION | -189,064   |
| 29    | LOSS IN UDI'S ADJUSTMENT      | 52,950   |
| 29    | PROFIT IN UDI'S ADJUSTMENT    | 0  |



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|    |   |         |
|----|---|---------|
| 8  | OTHER FINANCIAL OPERATIONS                      | 61,509  |
| 29 | OTHER NET EXPENSES (INCOME) NET                 | 61,509  |
| 30 | (PROFIT) LOSS ON SALE OF OWN SHARES             | 0       |
| 31 | (PROFIT) LOSS ON SALE OF SHORT-TERM INVESTMENTS | 0       |
| 10 | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING   | 331,370 |
| 32 | INCOME TAX                                      | 215,951 |
| 33 | DEFERRED INCOME TAX                             | 58,362  |
| 34 | WORKERS' PROFIT SHARING                         | 57,057  |
| 35 | DEFERRED WORKERS' PROFIT SHARING                | 0       |

CONSOLIDATED INCOME STATEMENT  
OTHER CONCEPTS  
(Thousands of Pesos)

| REF R |                                      | THIRD QUARTER<br>OF FINANCIAL<br>PRESENT YEAR | THIRD QUARTER<br>OF PREVIOUS<br>FINANCIAL<br>YEAR |
|-------|--------------------------------------|---|---|
|       |                                      | AMOUNT  | AMOUNT  |
| 36    | TOTAL SALES                          | 17,065,914                                    | 16,163,914  |
| 37    | NET INCOME OF THE YEAR               | 0   | 0   |
| 38    | NET SALES (**)                       | 20,753,458                                    | 22,631,458  |
| 39    | OPERATION INCOME (**)                | 643,222                                       | 1,737,222   |
| 40    | NET INCOME OF MAJORITY INTEREST (**) | -1,398,972                                    | -500,972  |
| 41    | NET CONSOLIDATED INCOME (**)         | -1,336,253                                    | 309,253   |

(\*\*) BASED ON THE RESTATED INFORMATION OF THE LAST TWELVE MONTHS

CONSOLIDATED INCOME STATEMENT  
FROM JULY 1st TO SEPTEMBER 30th OF 2003 AND 2002  
(Thousands of Pesos)

| REF R |                             | THIRD QUARTER<br>PRESENT FINANCIAL<br>YEAR | THIRD QUARTER<br>PREVIOUS FINANCIAL<br>YEAR |
|-------|-----------------------------|--|---|
|       |                             | AMOUNT                                     | %   |
| 1     | NET SALES                   | 5,262,086                                  | 100%  |
| 2     | COST OF SALES               | 4,115,460                                  | 78%   |
| 3     | GROSS INCOME                | 1,146,626                                  | 22%   |
| 4     | OPERATING EXPENSES          | 1,001,087                                  | 19%   |
| 5     | OPERATING INCOME            | 145,539                                    | 3%  |
| 6     | TOTAL FINANCING COST        | 466,056                                    | 9%  |
| 7     | INCOME AFTER FINANCING COST | -320,517                                   | -6%   |

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|    |  |          |
|----|--|----------|
| 8  | OTHER FINANCIAL OPERATIONS   | 3,652    |
| 9  | INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING                                | -324,169 |
| 10 | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING                                  | 17,035   |
| 11 | NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING                             | -341,204 |
| 12 | SHARE IN NET INCOME OF SUBSIDIARIES AND<br>NON-CONSOLIDATED ASSOCIATES         | (1,081)  |
| 13 | CONSOLIDATED NET INCOME OF CONTINUOUS  | -342,285 |
| 14 | INCOME OF DISCONTINUOUS OPERATIONS   | 27,511   |
| 15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS                             | -369,796 |
| 16 | EXTRAORDINARY ITEMS NET EXPENSES (INCOME)                                      | 0        |
| 17 | NET EFFECT AT THE BEGINNING OF THE YEAR BY<br>CHANGES IN ACCOUNTING PRINCIPLES | 0        |
| 18 | NET CONSOLIDATED INCOME  | -369,796 |
| 19 | NET INCOME OF MINORITY INTEREST  | 14,303   |
| 20 | NET INCOME OF MAJORITY INTEREST  | -384,099 |

CONSOLIDATED INCOME STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(Thousands of Pesos)

| REF R |   | THIRD QUART<br>PRESENT FIN<br>YEAR<br>AMOUNT |
|-------|---|--|
| 1     | NET SALES                                       | 5,262,086                                    |
| 21    | DOMESTIC  | 2,926,539                                    |
| 22    | FOREIGN   | 2,335,547                                    |
| 23    | TRANSLATED INTO DOLLARS (***)                   | 216,798                                      |
| 6     | TOTAL FINANCING COST                            | 466,056                                      |
| 24    | INTEREST PAID                                   | 244,815                                      |
| 25    | EXCHANGE LOSSES                                 | 286,737                                      |
| 26    | INTEREST EARNED                                 | 10,608                                       |
| 27    | EXCHANGE PROFITS                                | 0  |
| 28    | GAIN DUE TO MONETARY POSITION                   | -71,372                                      |
| 29    | LOSS IN UDI'S ADJUSTMENT                        | 16,484                                       |
|       | PROFIT IN UDI'S ADJUSTMENT                      | 0  |
| 8     | OTHER FINANCIAL OPERATIONS                      | 3,652  |
| 29    | OTHER NET EXPENSES (INCOME) NET                 | 3,652  |
| 30    | (PROFIT) LOSS ON SALE OF OWN SHARES             | 0  |
| 31    | (PROFIT) LOSS ON SALE OF SHORT-TERM INVESTMENTS | 0  |
| 10    | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING   | 17,035                                       |
| 32    | INCOME TAX                                      | 34,924                                       |
| 33    | DEFERRED INCOME TAX                             | -36,422                                      |
| 34    | WORKERS' PROFIT SHARING                         | 18,533                                       |
| 35    | DEFERRED WORKERS' PROFIT SHARING                | 0  |

CONSOLIDATED CASH FLOW STATEMENT  
FROM JANUARY 1st TO SEPTEMBER 30th OF 2003 AND 2002

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(Thousands of Pesos)

| REF C |   | THIRD QUARTER OF<br>PRESENT FINANCIAL<br>YEAR<br>AMOUNT |
|-------|---|---|
| 1     | CONSOLIDATED NET INCOME                                     | -490,983  |
| 2     | + (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH | 1,127,404   |
| 3     | CASH FLOW FROM NET INCOME OF THE YEAR                       | 636,421   |
| 4     | CASH FLOW FROM CHANGE IN WORKING CAPITAL                    | -1,039,889  |
| 5     | CASH GENERATED (USED) IN OPERATING ACTIVITIES               | -403,468  |
| 6     | CASH FLOW FROM EXTERNAL FINANCING                           | -646,307  |
| 7     | CASH FLOW FROM INTERNAL FINANCING                           |   |
| 8     | CASH FLOW GENERATED (USED) BY FINANCING                     | -646,307  |
| 9     | CASH FLOW GENERATED (USED) IN INVESTMENT ACTIVITIES         | -134,158  |
| 10    | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS  | -1,183,933  |
| 11    | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD  | 2,461,478   |
| 12    | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD        | 1,277,545   |

## CONSOLIDATED CASH FLOW STATEMENT BREAKDOWN OF MAIN ACCOUNTS (Thousands of Pesos)

| REF C |   | THIRD QUARTER OF<br>PRESENT FINANCIAL<br>YEAR |
|-------|---|---|
| 2     | + (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE                      | 1,  |
| 13    | DEPRECIATION AND AMORTIZATION FOR THE YEAR                            | 1,  |
| 14    | + (-) NET INCREASE (DECREASE) IN PENSIONS FUND AND SENIORITY PREMIUMS |   |
| 15    | + (-) NET LOSS (PROFIT) IN MONEY EXCHANGE                             |   |
| 16    | + (-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION       |   |
| 17    | + (-) OTHER ITEMS   |   |
| 4     | CASH FLOW FROM CHANGE IN WORKING CAPITAL                              | -1,   |
| 18    | + (-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE                       | -1,   |
| 19    | + (-) DECREASE (INCREASE) IN INVENTORIES                              |   |
| 20    | + (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE                 |   |
| 21    | + (-) INCREASE (DECREASE) IN SUPPLIER ACCOUNT                         |   |
| 22    | + (-) INCREASE (DECREASE) IN OTHER LIABILITIES                        |   |
| 6     | CASH FLOW FROM EXTERNAL FINANCING                                     |   |
| 23    | + SHORT-TERM BANK AND STOCK MARKET FINANCING                          |   |
| 24    | + LONG-TERM BANK AND STOCK MARKET FINANCING                           |   |
| 25    | + DIVIDEND RECEIVED   |   |
| 26    | + OTHER FINANCING   |   |
| 27    | (-) BANK FINANCING AMORTIZATION                                       |   |
| 28    | (-) STOCK MARKET AMORTIZATION   |   |
| 29    | (-) OTHER FINANCING AMORTIZATION                                      |   |

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|    |  |   |
|----|--|---|
| 7  | CASH FLOW FROM INTERNAL FINANCING                                    |   |
| 30 | + (-) INCREASE (DECREASE) IN CAPITAL STOCKS                          |   |
| 31 | (-) DIVIDENDS PAID   |   |
| 32 | + PREMIUM ON SALE OF SHARES  |   |
| 33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES                          |   |
|    |  |   |
| 9  | CASH FLOW GENERATED (UTILIZED) IN INVESTMENT ACTIVITIES              | - |
| 34 | + (-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF A PERMANENT NATURE |   |
| 35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT                     |   |
| 36 | (-) INCREASE IN CONSTRUCTIONS IN PROGRESS                            | - |
| 37 | + SALE OF OTHER PERMANENT INVESTMENTS                                |   |
| 38 | + SALE OF TANGIBLE FIXED ASSETS                                      |   |
| 39 | + (-) OTHER ITEMS  |   |

### RATIOS CONSOLIDATED

|    |  |        | THIRD QUARTER OF<br>PRESENT FINANCIAL<br>YEAR |
|----|--|--------|---|
|    | YIELD  |        |   |
| 1  | NET INCOME TO NET SALES  | -3.02  | %   |
| 2  | NET INCOME TO STOCK HOLDERS' EQUITY (**)                       | -18.22 | %   |
| 3  | NET INCOME TO TOTAL ASSETS (**)                                | -4.52  | %   |
| 4  | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME                     | 0      | %   |
| 5  | INCOME DUE TO MONETARY POSITION TO NET INCOME                  | -38.51 | %   |
|    |  |        |   |
|    | ACTIVITY   |        |   |
| 6  | NET SALES TO NET ASSETS (**)                                   | 0.7    | TIMES   |
| 7  | NET SALES TO FIXED ASSETS (**)                                 | 1.66   | TIMES   |
| 8  | INVENTORIES ROTATION (**)                                      | 5.24   | TIMES   |
| 9  | ACCOUNTS RECEIVABLE IN DAYS OF SALES                           | 66     | DAYS  |
| 10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)              | 0      | %   |
|    |  |        |   |
|    | LEVERAGE   |        |   |
| 11 | TOTAL LIABILITIES TO TOTAL ASSETS                              | 60.96  | %   |
| 12 | TOTAL LIABILITIES TO STOCK HOLDERS' EQUITY                     | 1.56   | TIMES   |
| 13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES              | 52.34  | %   |
| 14 | LONG-TERM LIABILITIES TO FIXED ASSETS                          | 66.79  | %   |
| 15 | OPERATING INCOME TO INTEREST PAID                              | 1.08   | TIMES   |
| 16 | NET SALES TO TOTAL LIABILITIES (**)                            | 1.15   | TIMES   |
|    |  |        |   |
|    | LIQUIDITY  |        |   |
| 17 | CURRENT ASSETS TO CURRENT LIABILITIES                          | 1.37   | TIMES   |
| 18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES           | 0.98   | TIMES   |
| 19 | CURRENTS ASSETS TO TOTAL LIABILITIES                           | 0.59   | TIMES   |
| 20 | AVAILABLE ASSETS TO CURRENT LIABILITIES                        | 16.57  | %   |
|    |  |        |   |
|    | CASH FLOW  |        |   |
| 21 | CASH FLOW FROM NET INCOME TO NET SALES                         | 3.92   | %   |
| 22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO NET SALES         | -6.40  | %   |
| 23 | CASH GENERATED (USED) IN OPERATING TO INTEREST PAID            | -0.53  | TIMES   |
| 24 | EXTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING       | 100    | %   |
| 25 | INTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING       | 0.00   | %   |
| 26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO CASH GENERATED |        |   |

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(USED) IN INVESTMENT ACTIVITIES

-134.80 %

(\*\*) THESE RATIOS ARE BASED ON THE DATA FOR THE LAST TWELVE MONTHS

## DATA PER SHARE

| REF D |   | THIRD QUARTER<br>PRESENT FINAN<br>YEAR<br>AMOUNT |
|-------|---|--|
| 1     | BASIC PROFIT PER ORDINARY SHARE (**)  | -0.98  |
| 2     | BASIC PROFIT PER PREFERENT SHARE (**)   | 0  |
| 3     | DILUTED PROFIT PER ORDINARY SHARE (**)  | 0  |
| 4     | CONTINUOUS OPERATING PROFIT PER COMMON SHARE (**)   | 0  |
| 5     | EFFECT OF DISCONTINUOUS OPERATING ON CONTINUOUS OPERATING<br>PROFIT PER SHARE (**)        | \$0.00   |
| 6     | EFFECT OF EXTRAORDINARY PROFIT AND LOSS ON CONTINUOUS OPERATING<br>PROFIT PER SHARE (**)  | 0  |
| 7     | EFFECT BY CHANGES IN ACCOUNTING POLICIES ON CONTINUOUS<br>OPERATING PROFIT PER SHARE (**) | 0  |
| 8     | CARRYING VALUE PER SHARE  | 5.61   |
| 9     | CASH DIVIDEND ACCUMULATED PER SHARE   | 0  |
| 10    | DIVIDEND IN SHARES PER SHARE  | 0  |
| 11    | MARKET PRICE TO CARRYING VALUE  | 0.67   |
| 12    | MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)                                      | 0  |
| 13    | MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)                                     | 0  |

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

## ANNEX 1

See the Press Release included as Item 1 to this Form 6-K.

## ANNEX 2

### SIGNIFICANT ACCOUNTING POLICIES

THE ACCOUNTING POLICIES FOLLOWED BY THE COMPANY ARE IN CONFORMITY WITH MEXICAN GAAP, WHICH REQUIRE MANAGEMENT TO MAKE CERTAIN ESTIMATES AND USE CERTAIN ASSUMPTIONS TO DETERMINE THE VALUATION OF SOME OF THE BALANCES INCLUDED IN THE FINANCIAL STATEMENTS AND TO MAKE THE DISCLOSURES REQUIRED FOR INCLUSION THEREIN. ALTHOUGH ACTUAL RESULTS MAY DIFFER FROM THOSE ESTIMATES, MANAGEMENT BELIEVES THAT THE ESTIMATES AND ASSUMPTIONS USED WERE APPROPRIATE IN THE CIRCUMSTANCES.

THE SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY ARE AS FOLLOWS:

CHANGES IN ACCOUNTING POLICIES - IN 2001 THE NEW BULLETIN C-2 "FINANCIAL INSTRUMENTS", WENT INTO EFFECT. THIS BULLETIN ESTABLISHES THE METHODOLOGY FOR VALUING AND RECORDING FINANCIAL INSTRUMENTS, AND REQUIRES RECOGNITION OF ALL EFFECTS OF THE FINANCIAL INSTRUMENTS CONTRACTED ON THE BALANCE SHEET AS EITHER ASSETS OR LIABILITIES, UNDER NET COMPREHENSIVE FINANCIAL RESULT. THE FINANCIAL

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INSTRUMENTS THAT HAVE BEEN DESIGNATED AND EFFECTIVELY FUNCTION AS HEDGING OF ASSETS AND LIABILITIES OR FUTURE TRANSACTIONS WILL AFFECT THE ASSETS, LIABILITIES OR THE RESPECTIVE TRANSACTIONS WHEN THEY ARE REALIZED, SETTLED OR TAKE PLACE, RESPECTIVELY.

AS OF 2001, INTERNATIONAL ACCOUNTING STANDARD 40, "INVESTMENT PROPERTIES," ENTERED INTO EFFECT ON A SUPPLEMENTAL BASIS, ESTABLISHING VALUATION CRITERIA FOR PROPERTIES WHOSE PURPOSE IS TO GENERATE PROFITS OR INCREASE VALUE OR BOTH. PURSUANT TO CIRCULAR 55 ISSUED BY THE MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS, THE VALUATION MODEL APPLICABLE TO MEXICO IS THE COST MODEL, WHICH ESTABLISHES THAT SUCH PROPERTIES MUST BE VALUED AT ACQUISITION AND/OR CONSTRUCTION COST AND ARE RESTATED BY APPLYING THE NPCI, LESS THE RESPECTIVE ACCUMULATED DEPRECIATION.

BEGINNING JANUARY 2000, THE COMPANY ADOPTED THE PROVISIONS OF NEW BULLETIN D-4, "ACCOUNTING FOR INCOME AND ASSET TAXES AND EMPLOYEE PROFIT SHARING". THE EFFECT OF THE ADOPTION WAS TO RECOGNIZE, AN INITIAL LONG-TERM LIABILITY FOR DEFERRED INCOME TAXES AFFECTING STOCKHOLDERS' EQUITY UNDER "CUMULATIVE EFFECT OF INITIAL RECOGNITION OF DEFERRED INCOME TAXES".

AS A RESULT OF THE IMPLEMENTATION OF THE ADOPTION OF BULLETIN D-4 MENTIONED ABOVE, THE COMPANY CHANGED ITS METHOD FOR RECORDING THE EFFECT FROM TAX CONSOLIDATION. UNTIL 1999, IT WAS RECORDED IN THE YEAR IN WHICH THE RESPECTIVE ANNUAL CONSOLIDATED TAX RETURN WAS FILED. BEGINNING IN 2000, THIS BENEFIT IS RECORDED IN RESULTS OF THE YEAR IN WHICH THE BENEFIT IS GENERATED.

BASIS OF CONSOLIDATION - THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THOSE OF DESC AND THE SUBSIDIARIES IN WHICH THERE IS STOCKHOLDING AND ADMINISTRATIVE CONTROL. ALL SIGNIFICANT INTERCOMPANY TRANSACTIONS AND BALANCES HAVE BEEN ELIMINATED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS.

THE EQUITY IN NET INCOME (LOSS) AND CHANGES IN STOCKHOLDERS' EQUITY OF THOSE SUBSIDIARIES THAT WERE ACQUIRED OR SOLD, HAS BEEN INCLUDED IN THE FINANCIAL STATEMENTS AS OF OR UP TO THE DATE ON WHICH THE TRANSACTIONS TOOK PLACE AND WAS RESTATED IN TERMS OF THE PURCHASING POWER AS OF THE END OF THE LATEST PERIOD.

INVESTMENTS IN SHARES OF ASSOCIATED COMPANIES AND UNCONSOLIDATED SUBSIDIARIES ARE RECORDED USING THE EQUITY METHOD.

TRANSLATION OF FINANCIAL STATEMENTS OF SUBSIDIARIES - THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES, WHOSE OPERATIONS ARE NOT AN INTEGRAL PART OF THE MEXICAN COMPANIES ("FOREIGN ENTITIES"), ARE RESTATED FOR THE INFLATION RATE OF THE RESPECTIVE FOREIGN COUNTRY AND ARE TRANSLATED INTO MEXICAN PESOS AT THE EXCHANGE RATE IN EFFECT AT THE END OF THE YEAR. THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES, WHOSE OPERATIONS ARE AN INTEGRAL PART OF THE MEXICAN COMPANIES ("INTEGRATED FOREIGN OPERATIONS"), ARE TRANSLATED USING YEAREND EXCHANGE RATES FOR MONETARY ITEMS AND HISTORICAL EXCHANGE RATES FOR NONMONETARY ITEMS, AND THE TRANSLATED FINANCIAL STATEMENTS ARE THEN RESTATED USING THE NATIONAL CONSUMER PRICE INDEX (NCPI) OF MEXICO. THE EFFECTS OF TRANSLATING FOREIGN ENTITIES ARE RECORDED DIRECTLY IN STOCKHOLDERS' EQUITY IN THE "CUMULATIVE EFFECT OF RESTATEMENT" ACCOUNT. THE EFFECTS OF TRANSLATING INTEGRATED FOREIGN OPERATIONS ARE INCLUDED IN THE "INTEGRAL FINANCING RESULT" OF THE YEAR IN THE "MONETARY POSITION GAIN" ACCOUNT. SUCH EFFECTS ARE NOT SIGNIFICANT.

RECOGNITION OF THE EFFECTS OF INFLATION - THE COMPANIES RESTATE ALL OF THEIR FINANCIAL STATEMENTS IN TERMS OF THE PURCHASING POWER OF THE MEXICAN PESO AS OF THE END OF THE LATEST PERIOD, THEREBY COMPREHENSIVELY RECOGNIZING THE EFFECTS OF INFLATION. THE PRIOR YEAR AMOUNTS PRESENTED HEREIN DIFFER FROM THOSE ORIGINALLY REPORTED IN TERMS OF MEXICAN PESOS OF THE RESPECTIVE YEAR. CONSEQUENTLY, ALL FINANCIAL STATEMENT AMOUNTS ARE COMPARABLE, BOTH FOR THE CURRENT AND THE PRIOR YEAR, BECAUSE ALL ARE STATED IN TERMS OF MEXICAN PESOS OF THE SAME PURCHASING

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POWER.

CASH EQUIVALENTS - INVESTMENTS IN MARKETABLE SECURITIES CONSIST MAINLY OF ACCEPTANCES, BANK PROMISSORY NOTES, AND PAPER ISSUED BY THE MEXICAN AND UNITED STATES OF AMERICA GOVERNMENTS, AT MARKET (COST PLUS ACCRUED INTEREST).

INVENTORIES AND COST OF SALES - INVENTORIES ARE ORIGINALLY RECORDED AT THEIR ACQUISITION OR MANUFACTURING COST AND RESTATED TO THEIR SPECIFIC NET REPLACEMENT COST WITHOUT EXCEEDING NET REALIZABLE VALUE. SUBSTANTIALY ALL SUBSIDIARIES COMPUTE COST OF SALES USING THE REPLACEMENT COST AT THE TIME OF SALE.

LAND HELD FOR DEVELOPMENT AND REAL ESTATE PROJECTS - UNDEVELOPED LAND REPRESENTS LAND RESERVES THAT, TOGETHER WITH DEVELOPED LAND AND ONGOING AND COMPLETED PROJECTS, ARE CONSIDERED NON-CURRENT INVENTORIES, SINCE THEY ARE HELD FOR SALE. THEY INCLUDE ACQUISITION, DEVELOPMENT AND CONSTRUCTION COSTS AND ARE RESTATED IN U.S. DOLLARS BASED ON THE SLIPPAGE OF THE MARKET EXCHANGE RATE FOR THE PURPOSE OF SHOWING VALUES IN ACCORDANCE WITH THE CURRENT SITUATION OF THE REAL ESTATE MARKET.

THE COMPANY CAPITALIZES THE NET COMPREHENSIVE FINANCING COST ON DEBT USED TO FINANCE REAL ESTATE PROJECTS IN PROGRESS, IN ADDITION TO THEIR CONSTRUCTION AND DEVELOPMENT COSTS.

INVESTMENT IN SHARES - INVESTMENT IN SHARES HAS BEEN RECORDED USING THE EQUITY METHOD, BASED ON THE FINANCIAL STATEMENTS PREPARED ON THE SAME BASIS AS THOSE OF THE COMPANY, AND IS PRESENTED UNDER OTHER ASSETS IN THE BALANCE SHEET.

PROPERTY, PLANT AND EQUIPMENT - THIS ITEM IS RECORDED AT ACQUISITION COST AND IS RESTATED BY USING NCPI FACTORS. FOR FOREIGN FIXED ASSETS, THEIR ACQUISITION COST IS RESTATED FOR INFLATION OF THE COUNTRY OF ORIGIN AND THE FLUCTUATION OF THE MEXICAN PESO AGAINST SUCH CURRENCY IS CONSIDERED.

DEPRECIATION IS CALCULATED BY THE STRAIGHT-LINE METHOD BASED ON THE REMAINING USEFUL LIVES OF THE ASSETS.

THE COMPANIES CAPITALIZE THE NET COMPREHENSIVE FINANCING COST ON DEBT USED TO FINANCE CONSTRUCTION IN PROGRESS AND THE INSTALLATION OF EQUIPMENT, UNTIL THEY ARE PLACED IN SERVICE.

IMPAIRMENT OF FIXED ASSETS - THE AMOUNTS SHOWN IN THE ACCOMPANYING CONSOLIDATED STATEMENTS OF INCOME BASICALLY REFER TO THE REDUCTION IN VALUE OF PROPERTY AND EQUIPMENT OF SOME PRODUCTION FACILITIES, IN ORDER TO REFLECT THEIR REALIZABLE VALUE IN ACCORDANCE WITH THE CURRENT SITUATION OF SUCH BUSINESSES.

GOODWILL - THE GOODWILL RESULTING FROM ACQUISITIONS MADE IN EXCESS OF BOOK VALUE IS AMORTIZED OVER PERIODS RANGING FROM FIVE TO 20 YEARS, THE TERMS OVER WHICH THE BENEFITS FROM THE INVESTMENT WILL BE REALIZED.

FINANCIAL INSTRUMENTS - FINANCIAL ASSETS AND LIABILITIES RESULTING FROM ANY TYPE OF FINANCIAL INSTRUMENT, EXCEPT FOR INVESTMENTS IN FINANCIAL INSTRUMENTS HELD TO MATURITY, ARE PRESENTED IN THE BALANCE SHEET AT FAIR VALUE. THE EFFECTS OF THE VALUATION OF A FINANCIAL ASSET OR LIABILITY ARE RECOGNIZED IN RESULTS OF OPERATIONS OF THE RESPECTIVE PERIOD. INVESTMENTS IN FINANCIAL INSTRUMENTS HELD TO MATURITY ARE VALUED AT ACQUISITION COST. THE COSTS AND YIELDS OF FINANCIAL INSTRUMENTS ARE RECOGNIZED IN RESULTS OF THE PERIOD IN WHICH THEY OCCUR.

DERIVATIVE FINANCIAL INSTRUMENTS - THE INTERNAL CONTROL SYSTEM ESTABLISHED BY THE COMPANY INCLUDES POLICIES AND PROCEDURES TO MANAGE ITS EXPOSURE TO FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES USING DERIVATIVE FINANCIAL INSTRUMENTS. THESE INSTRUMENTS ARE TRADED ONLY WITH AUTHORIZED INSTITUTIONS AND TRADING LIMITS HAVE

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BEEN ESTABLISHED FOR EACH INSTITUTION. THE COMPANY DOES NOT CARRY OUT TRANSACTIONS WITH DERIVATIVE FINANCIAL INSTRUMENTS FOR THE PURPOSE OF SPECULATION.

THE DERIVATIVE FINANCIAL INSTRUMENTS CURRENTLY USED BY THE COMPANY ARE PRIMARILY HEDGE CONTRACTS TO REDUCE ITS EXPOSURE TO EXCHANGE RATE FLUCTUATIONS. PREMIUMS PAID ARE AMORTIZED OVER THE TERM OF THE DERIVATIVE FINANCIAL INSTRUMENT USING THE UNPAID BALANCE OF THE LIABILITY BEING HEDGED.

DERIVATIVE FINANCIAL INSTRUMENTS IDENTIFIED AS HEDGES ARE VALUED BY APPLYING THE SAME VALUATION CRITERIA USED FOR THE ASSETS OR LIABILITIES HEDGED, AND THE EFFECTS OF THEIR VALUATION ARE RECOGNIZED IN RESULTS OF OPERATIONS, NET OF COSTS, EXPENSES, OR REVENUE FROM THE ASSETS OR LIABILITIES WHOSE RISKS ARE BEING HEDGED. THE FINANCIAL ASSETS OR LIABILITIES GENERATED BY THESE INSTRUMENTS ARE PRESENTED IN THE BALANCE SHEET AS A REDUCTION OF THE LIABILITIES OR ASSETS WHOSE RISKS ARE BIENG HEDGED.

INCOME TAX, ASSET TAX AND EMPLOYEE PROFIT SHARING - INCOME TAX (ISR) AND EMPLOYEE STATUTORY PROFIT-SHARING (PTU) ARE RECORDED IN RESULTS OF THE YEAR IN WHICH THEY ARE INCURRED. DEFERRED INCOME TAX ASSETS AND LIABILITIES ARE RECOGNIZED FOR TEMPORARY DIFFERENCES RESULTING FROM COMPARING THE BOOK AND TAX VALUES OF ASSETS AND LIABILITIES, PLUS ANY FUTURE BENEFITS FROM TAX LOSS CARRYFORWARDS DEFERRED INCOME TAX ASSETS ARE REDUCES BY ANY BENEFITS THAT, IN THE OPINION OF MANAGEMENT, WILL PROBABLY NOT BE REALIZED. DEFERRED PTU IS DERIVED FROM TEMPORARY DIFFERENCES BETWEEN THE BOOK RESULT AND INCOME FOR PTU PURPOSES AND IS RECOGNIZED ONLY WHEN IT CAN BE REASONABLY ASSUMED THAT THEY WILL GENERATE A LIABILITY OR BENEFIT, AND THERE IS NO INDICATION THAT THIS SITUATION WILL CHANGE IN SUCH A WAY THAT THE LIABILITIES WILL NOT BE PAID OR BENEFITS WILL NOT BE REALIZED.

THE ASSET TAX PAID THAT IS EXPECTED TO BE RECOVERABLE IS RECORDED AS AN ADVANCE PAYMENT OF INCOME TAX AND IS PRESENTED ON THE BALANCE SHEET WITH DEFERRED ISR.

EMPLOYEE RETIREMENT OBLIGATIONS - THE LIABILITY FROM SENIORITY PREMIUMS, PENSIONS AND RETIREMENT PAYMENTS, WHICH IS SIMILAR TO A PENSION, IS RECORDED AS ACCRUED, AND IS CALCULATED BY INDEPENDENT ACTUARIES BASED ON THE PROJECTED CREDIT UNIT METHOD, AT REAL INTEREST RATES. THEREFORE, THE LIABILITY IS BEING RECOGNIZED WHICH, AT PRESENT VALUE, IS EXPECTED TO COVER THE OBLIGATION FOR THESE BENEFITS AT THE ESTIMATED RETIREMENT DATE OF ALL THE COMPANIES' EMPLOYEES. SEVERANCE PAYMENTS ARE CHARGED TO RESULTS WHEN THEY ARE DETERMINED TO BE PAYABLE.

RESTATE STOCKHOLDERS' EQUITY - THIS ITEM CONSISTS OF MONETARY POSITION RESULT ACCUMULATED THROUGH THE FIRST RESTATEMENT OF THE FINANCIAL STATEMENTS AND THE GAIN (LOSS) FROM HOLDING MONETARY ASSETS, BECAUSE PRICE LEVELS INCREASED ABOVE (BELOW) INFLATION.

REVENUE RECOGNITION - REVENUES OF THE SUBSIDIARIES OF THE AUTOPARTS, CHEMICAL AND FOOD SECTORS ARE RECOGNIZED WHEN THE INVENTORIES ARE DELIVERED OR SHIPPED TO CUSTOMERS AND CUSTOMERS ASSUME RESPONSIBILITY FOR THEM.

THE REAL ESTATE SECTOR RECOGNIZES THE REVENUES AND COSTS FROM SALES OF URBANIZED PLOTS OF LAND IN RESULTS WHEN THE SALES ARE FORMALIZED AND THE DEPOSITS SECURING THE TRANSACTION ARE RECEIVED. THE INDIVIDUAL ASSIGNMENT OF THE COST OF THE LAND AND REAL ESTATE PROJECT TAKES INTO CONSIDERATION THE RELATIVE SELLING PRICE OF THE TOTAL PROJECT SO AS TO MAINTAIN THE SAME PROFIT MARGIN THROUGHOUT THE PROJECT.

REVENUES AND COSTS FROM REAL ESTATE PROJECTS ARE RECORDED ORIGINALLY AS A DEFERRED CREDIT FOR CONSTRUCTION COMMITMENTS AND AS REAL ESTATE PROJECTS IN PROCESS, AND ARE RECOGNIZED IN RESULTS BASED ON THE "PERCENTAGE OF COMPLETION"



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METHOD. THEREFORE, REVENUE IS MATCHED WITH COSTS INCURRED TO REACH THE STAGE OF COMPLETION TO TERMINATE THE PROJECT. IF THE LAST ESTIMATED COSTS DETERMINED EXCEED THE TOTAL REVENUES CONTRACTED, THE RESPECTIVE PROVISION IS CHARGED TO RESULTS OF THE YEAR.

INTEGRAL FINANCIAL RESULT - THIS REPRESENTS THE NET EFFECT OF INTEREST EARNED AND INCURRED, EXCHANGE GAINS AND LOSSES AND MONETARY POSITION GAIN OR LOSS ON, WHICH IS THE RESULT OF MAINTAINING MONETARY ASSETS AND LIABILITIES WHOSE REAL PURCHASING POWER IS MODIFIED BY THE EFFECTS OF INFLATION.

FOREIGN CURRENCY TRANSACTIONS ARE RECORDED AT THE EFFECTIVE EXCHANGE RATE AT THE DATE THE TRANSACTIONS ARE CARRIED OUT AND FOREIGN CURRENCY ASSETS AND LIABILITIES ARE ADJUSTED TO THE EXCHANGE RATE EFFECTIVE AT YEAREND.

INCOME PER SHARE - BASIC INCOME (LOSS) PER ORDINARY SHARE IS CALCULATED BY DIVIDING CONSOLIDATED NET INCOME (LOSS) OF MAJORITY STOCKHOLDERS BY THE WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR.

COMPREHENSIVE INCOME (LOSS) - COMPREHENSIVE INCOME (LOSS) IS COMPRISED OF THE NET CONSOLIDATED INCOME FOR THE PERIOD PLUS (LESS) ANY GAINS OR LOSSES THAT UNDER SPECIFIC ACCOUNTING REGULATIONS ARE RECORDED DIRECTLY IN STOCKHOLDERS' EQUITY, SUCH AS THE GAIN OR LOSS FROM HOLDING NONMONETARY ASSETS.

STOCK EXCHANGE CODE:DESC

QUARTER:3

YEAR: 2003

### ANNEX 3 SHARE OWNERSHIP

| COMPANY NAME                             | MAIN ACTIVITIES    | NUMBER OF SHARES | OWNE |
|--|--------------------|------------------|------|
| SUBSIDIARIES                             |                    |                  |      |
| BOSQUES DE LAS LOMAS, S.A. DE C.V.       | Real Estate Sector | 43,189,000       | 100  |
| OPERADORA NAYARIT, S.A. DE C.V.          | Real Estate Sector | 1                | 78   |
| PROMOCIONES BOSQUES, S.A. DE C.V.        | Real Estate Sector | 82,212,000       | 100  |
| CORPORATIVO DINE, S.A. DE C.V            | Real Estate Sector | 238,390,000      | 100  |
| HOLDING DICOMEX, S.A. DE C.V             | Real Estate Sector | 70,870,001       | 50   |
| TURISTICA AKKO, S.A. DE C.V.             | Real Estate Sector | 10,000           | 100  |
| BOSQUES DE SANTA FE, S.A. DE C.V.        | Real Estate Sector | 50               | 98   |
| CANA DE SANTA FE, S.A DE C.V.            | Real Estate Sector | 202,940,000      | 73   |
| INMOBILIARIA DINE, S.A. DE C.V.          | Real Estate Sector | 10,010,200       | 100  |
| CANTILES DE MITA                         | Real Estate Sector | 117,234,349      | 99   |
| CLUB DE GOLF PUNTA MITA, S.A. DE C.V.    | Real Estate Sector | 10,883,488       | 87   |
| RESORT CLUB PUNTA MITA, S.A. DE C..V     | Real Estate Sector | 50,000           | 100  |
| DESC AUTOMOTRIZ, S.A. DE C.V.            | Autoparts Sector   | 700,968,215      | 100  |
| CORFUERTE, S.A. DE C.V.                  | Food Sector        | 706,035,669      | 77   |
| AGROKEN, S.A. DE C.V.                    | Food Sector        | 783,134,281      | 100  |
| AUTHENTIC SPECIALITY FOODS               | Food Sector        | 291,101          | 81   |
| AGROBIOS CORPORATIVO                     | Food Sector        | 550,000          | 100  |
| CID CENTRO DE INVESTIGACION Y DESARROLLO | Chemical Sector    | 190,386,900      | 100  |
| DIRECCION IRSA, S.A. DE C.V.             | Chemical Sector    | 4,201,800        | 100  |
| FENOQUIMIA, S.A. DE C.V.                 | Chemical Sector    | 5,000,000        | 100  |
| FORESTACIONES OPERATIVAS DE MEXICO, S.A. | Chemical Sector    | 31,662           | 100  |
| GIRSA CORPORATIVO, S.A. DE C.V.          | Chemical Sector    | 41,510,000       | 100  |
| GIRSA INMOBILIARIA, S.A. DE C.V.         | Chemical Sector    | 615,124,722      | 100  |
| H2ORIZONTES, S.A. DE C.V.                | Chemical Sector    | 50,000           | 100  |

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|   |                 |             |     |
|---|-----------------|-------------|-----|
| INMOBILIARIA THIERS, S.A. DE C.V.           | Chemical Sector | 905,000     | 100 |
| QUIMIR, S.A. DE C.V.                        | Chemical Sector | 1,930,990   | 100 |
| RESIRENE, S.A. DE C.V.                      | Chemical Sector | 236,058,979 | 100 |
| TECNO INDUSTRIA RF, S.A. DE C.V.            | Chemical Sector | 10,675,000  | 100 |
| REXCEL, S.A. DE C.V.                        | Chemical Sector | 1,001,000   | 100 |
| DYNASOL ELASTOMEROS, S.A. (ESPANA)          | Chemical Sector | 1           | 50  |
| DYNASOL GESTION, S.A.                       | Chemical Sector | 1           | 50  |
| DYNASOL, L.L.C.                             | Chemical Sector | 1           | 50  |
| INDUSTRIAS NEGROMEX, S.A. DE C.V.           | Chemical Sector | 410,044,842 | 99  |
| PLASTIGLAS DE MEXICO, S.A. DE C.V.          | Chemical Sector | 200,778,213 | 95  |
| PARATEC, S.A. de C.V.                       | Chemical Sector | 264,849     | 100 |
| PARATEC ELASTOMERS, L.L.C.                  | Chemical Sector | 1           | 100 |
| BIOQUIMEX                                   | Chemical Sector | 419,842,497 | 100 |
| AEROPYCSA, S.A. DE C.V.                     | Service Company | 458,329,280 |     |
| CORPORATIVO ARCOS, S.A. DE C.V.             | Service Company | 260,525,000 |     |
| DESC CORPORATIVO, S.A. DE C.V.              | Service Company | 266,254,348 |     |
| BIG SOFT, S.A. DE C.V.                      | Service Company | 8,612,509   |     |
| PACIFIC INTERNATIONAL AIRWAYS, S.A. DE C.V. | Service Company | 244,500     |     |
| SERVICIOS CORPORATIVOS ARCOS, S.A. DE C.V.  | Service Company | 450         |     |
| OTHER SUBSIDIARIES (4) (NO. OF SUBS.:)      |                 | 1           |     |

Associates

|           |  |   |  |
|-----------|--|---|--|
| 1. Others |  |   |  |
| SERVICES  |  | 1 |  |

Other Permanent Investments

Total

LOANBREAKDOWN  
(THOUSANDS OF PESOS)

| CREDIT TYPE / INSTITUTION | AMORTIZATION DATE | RATE OF INTEREST | UNTIL |
|---------------------------|-------------------|------------------|-------|
| -----                     |                   |                  |       |
| BANKS                     |                   |                  |       |
| -----                     |                   |                  |       |
| WITH WARRANTY             |                   |                  |       |
| -----                     |                   |                  |       |
| DEUTSCHE BANK             | 15-Oct-07         | 8.75000          |       |
| IFC                       | 15-Feb-04         | 3.31             |       |
| IFC                       | 15-Feb-06         | 3.31             |       |
| IFC                       | 15-Sep-09         | 4.93             |       |
| IFC                       | 15-Sep-09         | 10.35            |       |
| DEG                       | 28-Dec-06         | 4.13             |       |
| BANAMEX-CITIBANK          | 27-Jan-04         | 2.73             |       |
| BANAMEX-CITIBANK          | 28-Oct-03         | 2.62             |       |

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|  |           |       |
|--|-----------|-------|
| BANAMEX-CITIBANK                       | 27-Jan-04 | 2.73  |
| CITIBANK                               | 24-Oct-03 | 2.40  |
| CITIBANK                               | 3-Nov-03  | 2.40  |
| CITIBANK                               | 1-Dec-03  | 2.40  |
| CITIBANK                               | 9-Oct-03  | 2.40  |
| CITIBANK                               | 27-Oct-03 | 2.40  |
| CITIBANK NA (SIND)                     | 12-Jun-05 | 2.49  |
| DEUTSCHE BANK (SIND)                   | 12-Jun-05 | 2.49  |
| JP MORGAN CHASE BANK (SIND)            | 12-Jun-05 | 2.49  |
| COMERICA BANK (SIND)                   | 12-Jun-05 | 2.49  |
| EXPORT DEVELOPMENT CANADA (SIND)       | 12-Jun-05 | 2.49  |
| BBVA BANCOMER (SIND)                   | 12-Jun-05 | 2.49  |
| CREDIT LYONNAIS (SIND)                 | 12-Jun-05 | 2.49  |
| CREDIT SUISSE FIRST BOSTON (SIND)      | 12-Jun-05 | 2.49  |
| HSBC BANK (SINDICADO)                  | 12-Jun-05 | 2.49  |
| BAYERISCHE HYPO-UND VEREINSBANK (SIND) | 12-Jun-05 | 2.49  |
| CITIBANK NA (SIND)                     | 12-Jun-07 | 2.74  |
| DEUTSCHE BANK (SIND)                   | 12-Jun-07 | 2.74  |
| JP MORGAN CHASE BANK (SIND)            | 12-Jun-07 | 2.74  |
| BANCOMEXT                              | 12-Jun-07 | 2.74  |
| COMERICA BANK (SIND)                   | 12-Jun-07 | 2.74  |
| EXPORT DEVELOPMENT CANADA (SIND)       | 12-Jun-07 | 2.74  |
| TORONTO DOMINION (SIND)                | 12-Jun-07 | 2.74  |
| BBVA BANCOMER (SIND)                   | 12-Jun-07 | 2.74  |
| BBVA BANCOMER (SIND)                   | 26-Jun-07 | 5.82  |
| BANCO SANTANDER MEXICANO (SIND)        | 26-Jun-07 | 5.82  |
| BANCO INVEX (SIND)                     | 26-Jun-07 | 5.82  |
| COMERICA BANK MEXICO (SIND)            | 26-Jun-07 | 5.82  |
| IXE BANCO (SIND)                       | 26-Jun-07 | 5.82  |
| BANCO MERCANTIL DEL NORTE (SIND)       | 26-Jun-07 | 5.82  |
| BANCO INBURSA                          | 15-Dec-03 | 7.42  |
| BANCO INBURSA                          | 13-Nov-03 | 7.42  |
| BANCO INBURSA                          | 13-Nov-03 | 7.42  |
| BANCO INBURSA                          | 5-Dec-03  | 7.42  |
| BANCO INBURSA                          | 11-Dec-03 | 7.42  |
| IXE BANCO                              | 24-Oct-03 | 6.66  |
| BBVA BANCOMER                          | 24-Oct-03 | 3.25  |
| BANAMEX-CITIBANK                       | 10-Nov-03 | 2.68  |
| BANCO INBURSA                          | 17-Oct-03 | 4.61  |
| BANCO INBURSA                          | 24-Oct-03 | 4.61  |
| BANCO INBURSA                          | 17-Oct-03 | 7.42  |
| CITIBANK                               | 21-Oct-03 | 2.40  |
| CITIBANK                               | 4-Nov-03  | 2.40  |
| BANAMEX-CITIBANK                       | 13-Nov-03 | 8.06  |
| California Commerce B.                 | 2-Oct-03  | 2.13  |
| BANCO INBURSA                          | 7-Oct-03  | 7.42  |
| BANCO INBURSA                          | 15-Aug-03 | 7.42  |
| Varios Arrend.                         | 31-Dec-10 | 8.40  |
| BANCO SANTANDER MEXICANO               | 31-Jan-07 | 10.02 |
| BANCO SANTANDER MEXICANO               | 31-Jan-07 | 10.02 |
| BANCO SANTANDER MEXICANO               | 31-Jan-07 | 7.80  |
| BANAMEX-CITIBANK                       | 16-May-08 | 8.06  |
| CITIBANK                               | 24-Oct-03 | 2.40  |
| CITIBANK                               | 31-Oct-03 | 2.40  |
| CITIBANK                               | 4-Nov-03  | 2.40  |
| CITIBANK                               | 12-Nov-03 | 2.40  |
| CITIBANK                               | 17-Nov-03 | 2.40  |
| CITIBANK                               | 3-Oct-03  | 2.40  |
| CITIBANK                               | 6-Oct-03  | 2.40  |
| CITIBANK                               | 8-Oct-03  | 2.40  |
| CITIBANK                               | 13-Oct-03 | 2.40  |
| CITIBANK                               | 14-Oct-03 | 2.40  |

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|                              |           |         |      |
|------------------------------|-----------|---------|------|
| BANAMEX-CITIBANK             | 12-Jan-04 |         | 3.11 |
| COMERICA BANK                | 20-Mar-04 |         | 2.18 |
| COMERICA BANK                | 21-Dec-03 |         | 2.39 |
| BANAMEX-CITIBANK             | 10-Oct-03 |         | 2.37 |
| COMERICA BANK                | 29-Oct-03 |         | 2.61 |
| COMERICA BANK                | 28-Feb-04 |         | 7.75 |
| BANCO NAL. COMERCIO EXTERIOR | 9-Feb-04  |         | 2.64 |
| BBVA BANCOMER                | 10-Oct-03 |         | 3.20 |
| BANCO NAL. COMERCIO EXTERIOR | 4-Feb-04  |         | 2.66 |
| BANAMEX-CITIBANK             | 14-Oct-03 |         | 2.60 |
| BANAMEX-CITIBANK             | 19-Nov-03 |         | 2.63 |
| BANCO NAL. COMERCIO EXTERIOR | 1-Dec-03  |         | 2.48 |
| BANCO NAL. COMERCIO EXTERIOR | 4-Mar-04  |         | 2.67 |
| BANCO NAL. COMERCIO EXTERIOR | 4-Feb-04  |         | 2.66 |
| BANCO NAL. COMERCIO EXTERIOR | 21-Jan-04 |         | 2.58 |
| BBVA BANCOMER                | 10-Oct-03 |         | 3.20 |
| BANAMEX-CITIBANK             | 19-Nov-03 |         | 2.63 |
| BANAMEX-CITIBANK             | 10-Oct-03 |         | 2.43 |
| BANCO NAL. COMERCIO EXTERIOR | 17-Nov-03 |         | 2.46 |
| BANCO NAL. COMERCIO EXTERIOR | 4-Mar-04  |         | 2.69 |
| CITIBANK                     | 15-Mar-04 |         | 2.40 |
| CITIBANK                     | 15-Mar-04 |         | 2.40 |
| COMERICA BANK                | 10-Oct-03 |         | 2.50 |
| COMERICA BANK                | 17-Oct-03 | 250.00% |      |
| COMERICA BANK                | 7-Nov-03  | 250.00% |      |
| COMERICA BANK                | 21-Nov-03 | 250.00% |      |
| COMERICA BANK                | 28-Nov-03 | 250.00% |      |

-----  
TOTAL BANKS  
-----

-----  
LISTED IN THE MEXICAN STOCK EXCHANGE

AMORTIZATION DATE

RATE OF INTEREST

-----  
UNTIL

-----  
UNSECURED DEBT

|          |            |      |
|----------|------------|------|
| UDIBONOS | 10/21/2006 | 9.00 |
| UDIBONOS | 7/13/2007  | 8.20 |

-----  
TOTAL STOCK EXCHANGE  
-----

-----  
SUPPLIERS

-----  
OTHERS

-----  
TOTAL SUPPLIERS  
-----

-----  
OTHERS

-----  
OTHER CURRENT LIABILITIES AND OTHER CREDITS  
-----

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\*\* TABLE CONTINUED \*\*

| AMORTIZATION OF LOANS IN FOREIGN CURRENCY WITH NATIONAL ENTITIES (THOUSANDS OF \$) |              |              |               |           |
|--|--------------|--------------|---------------|-----------|
| TIME INTERVAL  |              |              |               |           |
|  | CURRENT YEAR | UNTIL 1 YEAR | UNTIL 2 YEARS | UNTIL 3 Y |
| WITH WARRANTY  | ST           |              | LP            |           |
| IFC  | 0            |              |               |           |
| IFC  | 0            |              |               |           |
| IFC  | 0            |              |               |           |
| IFC  | 0            |              |               |           |
| DEG  | 0            |              |               |           |
| BANAMEX-CITIBANK   | 0            |              |               |           |
| BANAMEX-CITIBANK   | 0            |              |               |           |
| BANAMEX-CITIBANK   | 0            |              |               |           |
| CITIBANK   | 0            |              |               |           |
| CITIBANK   | 0            |              |               |           |
| CITIBANK   | 0            |              |               |           |
| CITIBANK   | 0            |              |               |           |
| CITIBANK   | 0            |              |               |           |
| CITIBANK NA (SIND)   | 0            |              |               |           |
| DEUTSCHE BANK (SIND)   | 0            |              |               |           |
| JP MORGAN CHASE BANK (SIND)  | 0            |              |               |           |
| COMERICA BANK (SIND)   | 0            |              |               |           |
| EXPORT DEVELOPMENT CANADA (SIND)   | 0            |              |               |           |
| BBVA BANCOMER (SIND)   | 0            |              |               |           |
| CREDIT LYONNAIS (SIND)   | 0            |              |               |           |
| CREDIT SUISSE FIRST BOSTON (SIND)  | 0            |              |               |           |
| HSBC BANK (SINDICADO)  | 0            |              |               |           |
| BAYERISCHE HYPO-UND VEREINSBANK (SIND)   | 0            |              |               |           |
| CITIBANK NA (SIND)   | 0            |              |               |           |
| DEUTSCHE BANK (SIND)   | 0            |              |               |           |
| JP MORGAN CHASE BANK (SIND)  | 0            |              |               |           |
| BANCOMEXT  | 0            |              |               |           |
| COMERICA BANK (SIND)   | 0            |              |               |           |
| EXPORT DEVELOPMENT CANADA (SIND)   | 0            |              |               |           |
| TORONTO DOMINION (SIND)  | 0            |              |               |           |
| BBVA BANCOMER (SIND)   | 0            |              |               |           |
| BBVA BANCOMER (SIND)   | 0            |              |               |           |
| BANCO SANTANDER MEXICANO (SIND)  | 0            |              |               |           |
| BANCO INVEX (SIND)   | 0            |              |               |           |
| COMERICA BANK MEXICO (SIND)  | 0            |              |               |           |
| IXE BANCO (SIND)   | 0            |              |               |           |
| BANCO MERCANTIL DEL NORTE (SIND)   | 0            |              |               |           |
| BANCO INBURSA  | 240,398      |              |               |           |
| BANCO INBURSA  | 224,008      |              |               |           |
| BANCO INBURSA  | 98,345       |              |               |           |
| BANCO INBURSA  | 49,172       |              |               |           |
| BANCO INBURSA  | 76,490       |              |               |           |
| IXE BANCO  | 64,470       |              |               |           |



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|   | CURRENT YEAR | UNTIL 1 YEAR | UNTIL 2 YEARS | UNTIL 3 YEARS |
|---|--------------|--------------|---------------|---------------|
| TOTAL STOCK EXCHANGE                        | 0            | 0            | 0             | 0             |
| SUPPLIERS                                   |              |              |               |               |
| OTHERS                                      |              |              |               |               |
| TOTAL SUPPLIERS                             |              |              |               |               |
| OTHERS                                      |              |              |               |               |
| OTHER CURRENT LIABILITIES AND OTHER CREDITS | 1,038,493    | 215,949      | 546,360       | 0             |

\*\* TABLE CONTINUED \*\*

| AMORTIZATION OF LOANS IN FOREIGN CURRENCY WITH FOREIGN ENTITIES (THOUSANDS OF \$) |               |              |               |               |
|---|---------------|--------------|---------------|---------------|
|   | TIME INTERVAL |              |               |               |
|   | CURRENT YEAR  | UNTIL 1 YEAR | UNTIL 2 YEARS | UNTIL 3 YEARS |
|   | ST            |              | LP            |               |
| IFC   | 0             | 32,782       |               |               |
| IFC   | 0             | 15,610       | 15,610        | 7,806         |
| IFC   | 0             | 70,247       | 70,245        | 70,246        |
| IFC   | 0             | 93,662       | 93,662        | 93,662        |
| DEG   | 1,101         | 3,307        | 3,307         | 2,494         |
| BANAMEX-CITIBANK  | 0             | 20,762       | 0             | 0             |
| BANAMEX-CITIBANK  | 15,298        | 0            | 0             | 0             |
| BANAMEX-CITIBANK  | 0             | 35,513       | 0             | 0             |
| CITIBANK  | 58,474        | 0            | 0             | 0             |
| CITIBANK  | 28,417        | 0            | 0             | 0             |
| CITIBANK  | 35,251        | 0            | 0             | 0             |
| CITIBANK  | 28,421        | 0            | 0             | 0             |
| CITIBANK  | 10,771        | 0            | 0             | 0             |
| CITIBANK NA (SIND)  | 0             | 40,978       | 81,954        | 40,978        |
| DEUTSCHE BANK (SIND)  | 0             | 31,416       | 62,831        | 31,416        |
| JP MORGAN CHASE BANK (SIND)   | 0             | 31,416       | 62,831        | 31,416        |
| COMERICA BANK (SIND)  | 0             | 27,319       | 54,636        | 27,319        |
| EXPORT DEVELOPMENT CANADA (SIND)  | 0             | 18,221       | 36,442        | 18,221        |

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|  |         |         |        |         |
|--|---------|---------|--------|---------|
| BBVA BANCOMER (SIND)                   | 0       | 6,830   | 13,659 | 6,830   |
| CREDIT LYONNAIS (SIND)                 | 0       | 27,319  | 54,636 | 27,319  |
| CREDIT SUISSE FIRST BOSTON (SIND)      | 0       | 27,319  | 54,636 | 27,319  |
| HSBC BANK (SINDICADO)                  | 0       | 27,319  | 54,636 | 27,319  |
| BAYERISCHE HYPO-UND VEREINSBANK (SIND) | 0       | 27,319  | 54,636 | 27,319  |
| CITIBANK NA (SIND)                     | 0       | 0       | 0      | 184,397 |
| DEUTSCHE BANK (SIND)                   | 0       | 0       | 0      | 96,296  |
| JP MORGAN CHASE BANK (SIND)            | 0       | 0       | 0      | 96,296  |
| BANCOMEXT                              | 0       | 0       | 0      | 122,931 |
| COMERICA BANK (SIND)                   | 0       | 0       | 0      | 81,954  |
| EXPORT DEVELOPMENT CANADA (SIND)       | 0       | 0       | 0      | 54,622  |
| TORONTO DOMINION (SIND)                | 0       | 0       | 0      | 81,954  |
| BBVA BANCOMER (SIND)                   | 0       | 0       | 0      | 10,234  |
| BBVA BANCOMER (SIND)                   | 0       | 0       | 0      | 0       |
| BANCO SANTANDER MEXICANO (SIND)        | 0       | 0       | 0      | 0       |
| BANCO INVEX (SIND)                     | 0       | 0       | 0      | 0       |
| COMERICA BANK MEXICO (SIND)            | 0       | 0       | 0      | 0       |
| IXE BANCO (SIND)                       | 0       | 0       | 0      | 0       |
| BANCO MERCANTIL DEL NORTE (SIND)       | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| IXE BANCO                              | 0       | 0       | 0      | 0       |
| BBVA BANCOMER                          | 218,544 | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 100,530 | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| CITIBANK                               | 11,564  | 0       | 0      | 0       |
| CITIBANK                               | 4,135   | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 27,318  | 0       | 0      | 0       |
| California Commerce B.                 | 98,345  | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| BANCO INBURSA                          | 0       | 0       | 0      | 0       |
| Varios Arrend.                         | 1,669   | 1,887   | 4,196  | 6,327   |
| BANCO SANTANDER MEXICANO               | 0       | 0       | 0      | 0       |
| BANCO SANTANDER MEXICANO               | 0       | 0       | 0      | 0       |
| BANCO SANTANDER MEXICANO               | 0       | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 0       | 0       | 0      | 0       |
| CITIBANK                               | 4,117   | 0       | 0      | 0       |
| CITIBANK                               | 2,058   | 0       | 0      | 0       |
| CITIBANK                               | 2,919   | 0       | 0      | 0       |
| CITIBANK                               | 6,394   | 0       | 0      | 0       |
| CITIBANK                               | 715     | 0       | 0      | 0       |
| CITIBANK                               | 3,021   | 0       | 0      | 0       |
| CITIBANK                               | 10      | 0       | 0      | 0       |
| CITIBANK                               | 4,117   | 0       | 0      | 0       |
| CITIBANK                               | 62      | 0       | 0      | 0       |
| CITIBANK                               | 898     | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 0       | 152,981 | 0      | 0       |
| COMERICA BANK                          | 0       | 5,464   | 0      | 0       |
| COMERICA BANK                          | 65,563  | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 128,941 | 0       | 0      | 0       |
| COMERICA BANK                          | 54,636  | 0       | 0      | 0       |
| COMERICA BANK                          | 104     | 72      | 0      | 0       |
| BANCO NAL. COMERCIO EXTERIOR           | 0       | 0       | 0      | 0       |
| BBVA BANCOMER                          | 109,272 | 0       | 0      | 0       |
| BANCO NAL. COMERCIO EXTERIOR           | 0       | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 54,636  | 0       | 0      | 0       |
| BANAMEX-CITIBANK                       | 14,752  | 0       | 0      | 0       |



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|                              |         |        |   |   |
|------------------------------|---------|--------|---|---|
| BANCO NAL. COMERCIO EXTERIOR | 0       | 0      | 0 | 0 |
| BANCO NAL. COMERCIO EXTERIOR | 0       | 0      | 0 | 0 |
| BANCO NAL. COMERCIO EXTERIOR | 0       | 0      | 0 | 0 |
| BANCO NAL. COMERCIO EXTERIOR | 0       | 0      | 0 | 0 |
| BBVA BANCOMER                | 109,272 | 0      | 0 | 0 |
| BANAMEX-CITIBANK             | 31,689  | 0      | 0 | 0 |
| BANAMEX-CITIBANK             | 54,636  | 0      | 0 | 0 |
| BANCO NAL. COMERCIO EXTERIOR | 0       | 0      | 0 | 0 |
| BANCO NAL. COMERCIO EXTERIOR | 0       | 0      | 0 | 0 |
| CITIBANK                     | 0       | 16,021 | 0 | 0 |
| CITIBANK                     | 0       | 2,182  | 0 | 0 |
| COMERICA BANK                | 9,041   | 0      | 0 | 0 |
| COMERICA BANK                | 7,475   | 0      | 0 | 0 |
| COMERICA BANK                | 9,259   | 0      | 0 | 0 |
| COMERICA BANK                | 4,019   | 0      | 0 | 0 |
| COMERICA BANK                | 3,616   | 0      | 0 | 0 |
|                              | 0       | 0      | 0 | 0 |

-----  
1,321,060                      715,946                      717,917                      1,174,675  
-----

-----  
AMORTIZATION OF LOANS IN FOREIGN CURRENCY WITH FOREIGN ENTITIES (THOUSANDS OF \$)  
-----

TIME INTERVAL

-----  
CURRENT YEAR                      UNTIL 1 YEAR                      UNTIL 2 YEARS                      UNTIL 3 YEARS  
-----

-----  
TOTAL STOCK EXCHANGE                      0                      0                      0  
-----

-----  
SUPPLIERS

-----  
OTHERS                      974,091  
-----

-----  
TOTAL SUPPLIERS                      974,091  
-----

-----  
OTHERS                      190,164  
-----

-----  
OTHER CURRENT LIABILITIES AND

-----  
OTHER CREDITS                      1,321,060                      1,880,201                      717,917                      1,174,675  
-----

STOCK EXCHANGE CODE:DESC

QUARTER:3

YEAR: 2003

ANNEX 6  
MONETARY POSITION IN FOREIGN EXCHANGE

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(Thousands of Pesos)

| TRADE BALANCE                   | DOLLARS (1)<br>THOUSANDS OF<br>DOLLARS | THOUSANDS OF<br>PESOS | OTHER CURRENCY<br>THOUSANDS OF<br>DOLLARS | THOUSANDS OF<br>PESOS |
|---------------------------------|--|-----------------------|---|-----------------------|
| TOTAL ASSETS                    | 333,793                                | 3,647,423             | 0   |                       |
| LIABILITIES POSITION            | 863,799                                | 9,438,904             | 0   |                       |
| SHORT TERM LIABILITIES POSITION | 407,763                                | 4,455,708             | 0   |                       |
| LONG TERM LIABILITIES POSITION  | 456,036                                | 4,983,196             | 0   |                       |
| NET BALANCE                     | -530,006                               | -5,791,481            | 0   |                       |

STOCK EXCHANGE CODE:DESC

QUARTER:3

YEAR: 2003

## ANNEX 7

### INTEGRATION AND INCOME CALCULATION BY MONETARY POSITION (Thousands of Pesos)

| MONTH          | MONETARY ASSETS | MONETARY<br>LIABILITIES | (ASSET)<br>LIABILITIES<br>MONETARY<br>POSITION |
|----------------|-----------------|-------------------------|--|
| JANUARY        | 7,547,767       | 17,932,309              | -10,384,542                                    |
| FEBRUARY       | 7,353,633       | 18,695,312              | -11,341,679                                    |
| MARCH          | 6,550,172       | 17,713,494              | -11,163,322                                    |
| APRIL          | 7,050,003       | 17,712,066              | -10,662,063                                    |
| MAY            | 6,566,551       | 17,214,802              | -10,648,251                                    |
| JUNE           | 6,347,401       | 16,913,474              | -10,566,073                                    |
| JULY           | 7,512,235       | 17,415,797              | -9,903,562                                     |
| AUGUST         | 7,477,354       | 17,510,539              | -10,033,185                                    |
| SEPTEMBER      | 7,709,716       | 17,918,166              | -10,208,450                                    |
| OCTOBER        | 0               | 0                       | 0  |
| NOVEMBER       | 0               | 0                       | 0  |
| DICEMBER       | 0               | 0                       | 0  |
| ACTUALIZATION  | 0               | 0                       | 0  |
| CAPITALIZATION | 0               | 0                       | 0  |
| FOREIGN CORP.  | 0               | 0                       | 0  |
| OTHER          | 0               | 0                       | 0  |
| TOTAL          |                 |                         |  |

STOCK EXCHANGE CODE:DESC

QUARTER:3

YEAR: 2003

### BONDS AND MEDIUM TERM NOTES LISTING IN STOCK MARKET (1)

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ANNEX 8

FINANCIAL LIMITATIONS BASED ON ISSUANCES OR INSTRUMENTS

-1 Interest Coverage.

The result obtained from dividing the sum of (i) the consolidated operating profit plus depreciation and amortization during the immediately prior 4 full fiscal quarters by (ii) consolidated financial expense during such period, shall not be less than 2.75 times.

-2 Capitalization.

The result obtained from dividing, (i) total debt with cost minus cash plus fifty million dollars, by (ii) net assets plus total debt with cost minus cash plus fifty million dollars, shall not be greater than 0.50 times.

-3 Leverage Ratio.

The result obtained from dividing (i) total debt with cost minus cash plus fifty million dollars, by (ii) the sum of the consolidated operating profit plus depreciation and amortization during the immediately prior 4 full fiscal quarters, shall not exceed 4.15 times.

STATUS OF FINANCIAL COVENANTS

|                        |      |
|------------------------|------|
| (1) Interest Coverage. | 2.72 |
| (2) Capitalization.    | 0.49 |
| (3) Leverage Ratio.    | 5.48 |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE:DESC

QUATER:3

YEAR: 2003

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

ANNEX 9

| PLANT<br>OR<br>CENTER                | ECONOMIC<br>ACTIVITY              |
|--------------------------------------|-----------------------------------|
| EJES TRACTIVOS, S.A. DE C.V.         | REAR AXLES                        |
| PISTONES MORESA, S.A. DE C.V.        | PISTONS (PIECES)                  |
| MORESTANA, S.A. DE C.V.              | TAPPETS (PIECES)                  |
| PISTONES MORESA, S.A. DE C.V.        | PISTON PINS (PIECES)              |
| ENGRANES CONICOS, S.A. DE C.V.       | GEARS (SETS)                      |
| PRODUCTOS ESTAMPADOS DE MEXICO, S.A. | PICK-UP BOXES (PIECES)            |
| VELCON, S.A. DE C.V.                 | CONSTANT VELOCITY JOINTS (PIECES) |



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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE:DESC

QUARTER: 3

YEAR: 2003

## MAIN RAW MATERIALS

### ANNEX 10

| DOMESTIC                       | MAIN<br>SUPPLIERS                         | FOREIGN<br>%        |
|--------------------------------|---|---------------------|
| 1 LAMINATE                     | HYLSA, S. A. DE C.V.                      | STEEL               |
| 2 STEEL                        | INDUSTRIAS CH, S. A.                      | STEEL               |
| 3 ALUMINUM                     | NACOBRE                                   | LAMINATE            |
| 4 COLOR PAINTS                 | P.P.G. INDUSTRIAS DE MEXICO, S.A. DE CV   | STEEL               |
| 5 LAMINATE                     | AHMSA                                     | AUTOMOTIVE PARTS    |
| 6 COLOR PAINTS                 | DUPONT DE MEXICO                          | FORGE               |
| 7 RODAMIENTOS                  | KOYO DE MEXICO                            | LAMINATE            |
| 8 RODAMIENTOS                  | TIMKEM                                    | ALUMINUM            |
| 9 LAMINATE                     | GENERAL MOTORS                            | RODAMIENTOS         |
| 10                             |   | FORGE               |
| 11                             |   |                     |
| 12                             |   |                     |
| 13 STYRENE                     | PEMEX                                     | STYRENE             |
| 14 BUTADIEN                    |   | BUTADIEN            |
| 15                             |   |                     |
| 16 METHANOL                    | PEMEX                                     | METHANOL            |
| 17 TOLUEN                      | PEMEX                                     |                     |
| 18                             |   |                     |
| 19 NATURAL GAS                 | PEMEX                                     |                     |
| 20 PHOSPHORIC ACID MERCANTILE  | ARHODIA MEXICANA                          |                     |
| 21 PHOSPHORIC ACID (TECHNICAL) | ARHODIA MEXICANA                          |                     |
| 22                             |   | ACETOCYANOHIRINE    |
| 23                             |   |                     |
| 24 FRESH JALAPENO              | OWN PRODUCTION & FRESH MARKET ( VARIOUS ) |                     |
| 25 FRESH TOMATO                | OWN PRODUCTION & FRESH MARKET ( VARIOUS ) |                     |
| 26 FRESH TOMATILLO             | OWN PRODUCTION & FRESH MARKET ( VARIOUS ) |                     |
| 27 TETRABRIK COTETRAPAK        |   |                     |
| 28 METALLIC CAN                | GRUPO ZAPATA                              |                     |
| 29 METALLIC CAN                | ZAPATA ENVASES                            |                     |
| 30 CORN OIL                    | ARANCIA CORN PRODUCTS                     |                     |
| 31 SHIPPING CARTON             | CELULOSA Y CORRUGADOS                     |                     |
| 32 SHIPPING CARTON             | EMPAQUE DE CARTON TITAN                   |                     |
| 33                             |   | TOMATO PASTE        |
| 34                             |   | REYNOLD'S ITEMS     |
| 35 VARIOUS                     |   |                     |
| 36 METALLIC CAN                | ENVASES DE SINALOA                        |                     |
| 37 DIESEL                      | PEMEX                                     |                     |
| 38                             |   | VEGETABLES          |
| 39                             |   | VEGETABLES          |
| 40                             |   | PACKAGING MATERIALS |

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41  
42 HOG GENETIC

PIC

PACKAGING MATERIALS  
GRAIN

\*\* TABLE CONTINUED \*\*

|                                |                                       |             | CONSOLIDATED      |
|--------------------------------|---------------------------------------|-------------|-------------------|
| DOMESTIC                       | MAIN SUPPLIERS                        | DOM. SUBST. | COST PRODUCTION % |
| 1 LAMINATE                     | MC STEEL                              | NO          |                   |
| 2 STEEL                        | MITSUBISHI                            | YES         |                   |
| 3 ALUMINUM                     | NISHO OWAI                            | NO          |                   |
| 4 COLOR PAINTS                 |                                       |             |                   |
| 5 LAMINATE                     | DANA CO.                              | NO          |                   |
| 6 COLOR PAINTS                 | GSB FORJA                             | NO          |                   |
| 7 RODAMIENTOS                  | DAEWOO CORP.                          | NO          |                   |
| 8 RODAMIENTOS                  | REYNOLDS METAL                        | YES         |                   |
| 9 LAMINATE                     | THE TIMKEN CO.                        | NO          |                   |
| 10                             | THYSSEN PRECISION FORGE               | NO          |                   |
| 11                             |                                       |             |                   |
| 12                             |                                       |             |                   |
| 13 STYRENE                     | STERLING, MITSUI                      |             |                   |
| 14 BUTADIEN                    | SHELL, POLIMERI EUROPA , BP CHEMICAL, |             |                   |
| 15                             | EQUISTAR, SABIC, REPSOL QUIMICA       |             |                   |
| 16 METHANOL                    | CELANESE, PETROCEL                    |             |                   |
| 17 TOLUEN                      |                                       |             |                   |
| 18                             |                                       |             |                   |
| 19 NATURAL GAS                 |                                       |             |                   |
| 20 PHOSPHORIC ACID MERCANTILE  |                                       |             |                   |
| 21 PHOSPHORIC ACID (TECHNICAL) |                                       |             |                   |
| 22                             | BP CHEMICAL                           |             |                   |
| 23                             |                                       |             |                   |
| 24 FRESH JALAPENO              |                                       |             |                   |
| 25 FRESH TOMATO                |                                       |             |                   |
| 26 FRESH TOMATILLO             |                                       |             |                   |
| 27 TETRABRIK COTETRAPAK        |                                       |             |                   |
| 28 METALLIC CAN                |                                       |             |                   |
| 29 METALLIC CAN                |                                       |             |                   |
| 30 CORN OIL                    |                                       |             |                   |
| 31 SHIPPING CARTON             |                                       |             |                   |
| 32 SHIPPING CARTON             |                                       |             |                   |
| 33                             | MORNING STAR                          | OK          |                   |
| 34                             | REYNOLDS                              |             |                   |
| 35 VARIOUS                     |                                       |             |                   |
| 36 METALLIC CAN                |                                       |             |                   |
| 37 DIESEL                      |                                       |             |                   |
| 38                             | RIO FARMS                             |             |                   |
| 39                             | WOOLF ENTERPRISES                     |             |                   |
| 40                             | OWENS BROCKWAY                        |             |                   |
| 41                             | PECHINEYCPLASTIC                      |             |                   |
| 42 HOG GENETIC                 | CARGILL                               | OK          |                   |

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STOCK EXCHANGE CODE:DESC

QUARTER: 3

YEAR: 2003

Annex 11

SALES DISTRIBUTION BY PRODUCT  
DOMESTIC SALES

| MAIN PRODUCTS               | TOTAL PRODUCTION |        | SALES  |           | MARKET |
|-----------------------------|------------------|--------|--------|-----------|--------|
|                             | VOLUME           | AMOUNT | VOLUME | AMOUNT    |        |
| AUTOPARTS SECTOR            |                  |        |        | 1,891,566 |        |
| CHEMICAL SECTOR             |                  |        |        | 3,671,419 |        |
| FOOD SECTOR                 |                  |        |        | 1,925,766 |        |
| REAL ESTATE SECTOR          |                  |        |        | 1,764,111 |        |
| COMPANIES OF OTHER SERVICES |                  |        |        | 48,643    |        |
| TOTAL                       |                  |        |        |           |        |
| TOTAL                       |                  |        |        | 9,301,505 |        |

SALES DISTRIBUTION BY PRODUCT  
FOREIGN SALES

| MAIN PRODUCTS    | TOTAL PRODUCTION |        | SALES  |           | MARKET |
|------------------|------------------|--------|--------|-----------|--------|
|                  | VOLUME           | AMOUNT | VOLUME | AMOUNT    |        |
| AUTOPARTS SECTOR |                  |        |        | 3,846,582 |        |
| CHEMICAL SECTOR  |                  |        |        | 2,249,053 |        |
| FOOD SECTOR      |                  |        |        | 849,095   |        |
| TOTAL            |                  |        |        |           |        |
| TOTAL            |                  |        |        | 6,944,730 |        |

STOCK EXCHANGE CODE:DESC

QUARTER: 3

YEAR: 2003

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

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## CHARACTERISTICS OF THE SHARES

| SERIES | NOMINAL<br>VALUE | VALID<br>COUPON | NUMBER OF SHARES |             |               |     |
|--------|------------------|-----------------|------------------|-------------|---------------|-----|
|        |                  |                 | PORTION          | PORTION     | MEXICAN       | SUB |
| A      | 0.01300          | 20              | 587,479,900      |             | 587,479,900   |     |
| B      | 0.01300          | 20              |                  | 506,257,866 | 506,257,866   |     |
| C      | 0.01300          | 20              |                  | 275,341,610 |               | 27  |
| Total  |                  |                 | 587,479,900      | 781,599,476 | 1,093,737,766 | 27  |

TOTAL NUMBER OS SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON  
THE DATE THE INFORMATION IS SENT:

1,369,079,376

SHARES PROPORTION BY:

CPO'S:

UNITS:

ADRS's:

GDRS's:

ADS's:

GDS's:

| Series | Number of Shares | Repurchased own shares                     |            |
|--------|------------------|--|------------|
|        |                  | Market value of the share<br>At repurchase | At Quarter |
|        |                  |  |            |

General Data of the Issuer:

|                  |                               |
|------------------|-------------------------------|
| Corporate Name:  | Desc, S.A. de C.V.            |
| Address:         | Paseo de los Tamarindos 400-B |
| City:            | Bosques de las Lomas          |
| Zip Code:        | 5120                          |
| State:           | Mexico, D.F.                  |
| Telephone:       | 52-61-80-00                   |
| Fax:             | 52-61-80-98                   |
| E-Mail:          | desc@mail.desc.com.mx         |
| Internet Address | www.desc.com.mx               |

Fiscal Data of the Issuer:

|                 |                               |
|-----------------|-------------------------------|
| RFC of Company: | DES9405182F1                  |
| Domicile:       | Paseo de los Tamarindos 400-B |
| City:           | Bosques de las Lomas          |
| Zip Code:       | 5120                          |
| State:          | Mexico, D.F.                  |

Responsibility for Payments:



## Edgar Filing: DESC S A DE C V - Form 6-K

Name: Lic. Alejandro de la Barreda Gomez  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-98

### Data with respect to officers:

-----  
Mexican Stock  
Exchange equivalent: Chairman of the Board of Directors  
Title at company: Chairman and Chief Executive Officer  
Name: Mr. Fernando Senderos Mestre  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-98

Mexican Stock  
Exchange equivalent: Chief Financial Officer  
Title at company: Director of Finance  
Name: Lic. Arturo D'Acosta Ruiz  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-98  
E-Mail: adacosta@mail.desc.com.mx

Mexican Stock  
Exchange equivalent: Officer in Charge of Sending  
Quarterly Financial Information  
Title at company: Corporate Manager of Financial  
Information  
Name: Lic. Alejandro De La Barreda Gomez  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-98  
E-Mail: abarredag@mail.desc.com.mx

Mexican Stock  
Exchange equivalent: Alternate Officer in Charge of  
Sending Quarterly Financial  
Information  
Title at company: Corporate Comptroller  
Name: Lic. Salvador Icazbalceta Ocampo  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-96  
E-Mail: sicazbalceta@mail.desc.com.mx

Mexican Stock

## Edgar Filing: DESC S A DE C V - Form 6-K

Exchange equivalent: Officer Responsible for Legal Affairs  
Title at company: General Counsel  
Name: Lic. Ramon Estrada Rivera  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-97  
E-Mail: restrada@mail.desc.com.mx

Mexican Stock  
Exchange equivalent: Secretary of the Board of Directors  
Title at company: Secretary of the Board of Directors  
Name: C.P. Ernesto Vega Velasco  
Address: Bosque de Ciruelos No. 130 Room 1203  
City: Bosques de las Lomas  
Zip Code: 11700  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-60  
E-Mail: evega@mail.desc.com.mx

Mexican Stock  
Exchange equivalent: Officer in Charge of Providing Information  
to Investors  
Title at company: Corporate Manager of Financial Information  
Name: Lic. Alejandro De La Barrera Gomez  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-97  
E-Mail: abarredag@mail.desc.com.mx

Mexican Stock  
Exchange equivalent: Officer Authorized to Send Information  
via Emisnet  
Title at company: Chief Financial Officer  
Name: Lic. Arturo D'Acosta Ruiz  
Address: Paseo de los Tamarindos 400-B  
City: Bosques de las Lomas  
Zip Code: 5120  
State: Mexico, D.F.  
Telephone: 52-61-80-00  
Fax: 52-61-80-98  
E-Mail: adascosta@mail.desc.com.mx

Mexican Stock  
Exchange equivalent: Officer Authorized to Send Relevant  
Events via Emisnet  
Title at company: Secretary of the Board of Directors  
Name: C.P. Ernesto Vega Velasco  
Address: Bosque de Ciruelos No. 130 Room 1203  
City: Bosques de las Lomas  
Zip Code: 11700  
State: Mexico, D.F.  
Telephone: 52-61-80-00

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Fax: 52-61-80-60  
E-Mail: evega@mail.desc.com.mx

SIGNATURES

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

Desc, S.A. de C.V.

-----  
(Registrant)

Date: October 24, 2003

By /s/ Arturo D'Acosta Ruiz

-----  
(Signature)

Name: Arturo D'Acosta Ruiz  
Title: Chief Financial Officer