

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

DESC S A DE C V
Form 6-K
January 16, 2004

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 January, 2004

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 is included in this report on Form 6-K:

Item

1. Press Release, dated January 16, 2004, announcing sale of
Registrant's Aluminum Wheels Business

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

Item 1

[Desc Logo]

[Desc finalizes sale of Aluminum Wheels Business]

Contacts:

Marisol Vazquez Mellado
Jorge F. Padilla
Tel: (5255) 5261-8044
jorge.padilla@desc.com.mx
www.desc.com.mx

Maria Barona
Melanie Carpenter
Phone: 212-406-3690
desc@i-advize.com

DESC FINALIZES SALE OF ALUMINUM WHEELS BUSINESS

Mexico City, January 16, 2004 - DESC, S.A. de C.V. (NYSE: DES; BMV: DESC) today announced that it successfully completed the sale of the assets of the aluminum wheels business in its Auto Parts sector (Hayes Wheels Aluminio, S.A. de C.V.) to Hayes Lemmerz International, Inc. ("Hayes Lemmerz"), while acquiring Hayes Lemmerz's participation in Hayes Wheels Acero, S.A. de C.V. (Steel Wheels). This transaction also marks the conclusion of the Company's association with Hayes Lemmerz International, Inc.

This transaction will result in an extraordinary expense of approximately US\$ 15 million, which will be reflected in 2003 results, since the sale is for less than book value. Desc's cash flow is expected to immediately benefit from this transaction since Hayes Wheels Aluminio, S.A. de C.V. was operating at a loss, thus this loss is expected will be compensated in the 2004 period.

The revenues from this transaction will mainly be used to decrease debt between the business and Desc and to fortify Desc's financial structure.

This transaction is further evidence of Desc's commitment to recovering its profitability levels as soon as possible, and is in line with the Company's strategic and its focus on its main businesses.

Desc, S.A. de C.V. is one of Mexico's largest industrial groups with sales of approximately US\$ 2 billion during 2002, and over 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 cyclicity of the autoparts and chemicals industries and other factors which are described under

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

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.

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: January 16, 2004

By /s/ Arturo D'Acosta Ruiz

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