

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

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

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

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

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

2

Item 1

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

Contacts:

In Mexico:

Marisol Vazquez Mellado
Alejandro de la Barreda Gomez
Tel: 5255-5261-8037
alejandro.delabarreda@desc.com.mx
www.desc.com.mx

In New York:

Blanca HiBlanca Hirani
Melanie CMelanierCarpenter
Tel: 212-Phone:9212-406-3693
bhirani@i-advize.com

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

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

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

TABLE 1. CONSOLIDATED FIGURES

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

	3Q03	3Q02	3Q03 vs. 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%

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

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%

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

EXPORTS

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

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

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)

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.

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

DEBT STRUCTURE

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

(Figures in millions of U.S. dollars)

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

	Sep 30- 02	Dec 31- 02	Mar 31- 03	Jun 30- 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.

WWW.DESC.COM.MX

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

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

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%.

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

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

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

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.

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

CHEMICAL SECTOR

Table 4 shows the figures obtained in the Chemical Sector.

TABLE 4. CHEMICAL SECTOR FIGURES

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

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

	3Q03	3Q02	3Q03 vs. 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%	

(1) "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 and other internal financial analysis. "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.

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.

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

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

WWW.DESC.COM.MX

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 vs. 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%

(1) "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 and other internal financial analysis. "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.

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

TABLE 6. FOOD SECTOR - RELEVANT FIGURES

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

*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
BRANDED PRODUCTS		
Sales (millions of US\$)	57	51
Operating Margin	4.7%	7.9%
PORK BUSINESS		
Sales (millions of US\$)	32	25
Operating Margin	3.1%	22.2%
FOOD CONSOLIDATED		
Sales (millions of US\$)	89	76
Operating Margin	4.1%	12.6%

WWW.DESC.COM.MX

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

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

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).]

WWW.DESC.COM.MX

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 vs. 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%

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

(1) "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 and other internal financial analysis. "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.

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.

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

CONTACTS: MARISOL VAZQUEZ-MELLADO
ALEJANDRO DE LA BARREDA / CAROLINA RENDON
TEL.: (5255) 5261 8037
ALEJANDRO.DELABARREDA@MAIL.DESC.COM.MX

** TABLES TO FOLLOW **

THIRD QUARTER 2003 RESULTS

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

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 vs. 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.

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

	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%

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

CHEMICAL SECTOR

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

	3Q03	3Q02	3Q03 vs. 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 vs. 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%

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

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 vs. 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%

WWW.DESC.COM.MX

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
ASSETS	
Current Assets:	
Cash and Short Term Investments	1,278
Account and Documents Receivable	6,214
Inventories and Other Assets	3,088
TOTAL CURRENT ASSETS	10,580
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
TOTAL ASSETS	29,580

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

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

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

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

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

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: (Millions of shares)	1,369	1,369
EBITDA	491	693

WWW.DESC.COM.MX

THIRD QUARTER 2003 RESULTS

Accum. 2003	3Q03	2Q03	1Q03
----------------	------	------	------

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

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.

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

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.

WWW.DESC.COM.MX

ITEM 2

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

REF S		THIRD QUARTER OF PRESENT FINANCIAL YEAR	THIRD QUARTER OF PREVIOUS 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 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

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

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 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 OF PRESENT 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%

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

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 PRESENT FINANCIAL YEAR AMOUNT	THIRD 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

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

(Thousands of Pesos)

REF R		THIRD QUARTER PRESENT FINANCIAL YEAR 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 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 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 PRESENT FINANCIAL YEAR 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

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

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 OF FINANCIAL PRESENT YEAR	THIRD QUARTER OF PREVIOUS FINANCIAL 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 PRESENT FINANCIAL YEAR	THIRD QUARTER PREVIOUS FINANCIAL 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%

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

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 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 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 PRESENT FIN YEAR 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

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

(Thousands of Pesos)

REF C		THIRD QUARTER OF PRESENT FINANCIAL YEAR 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 PRESENT FINANCIAL 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	

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

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

REF P		THIRD QUARTER OF PRESENT FINANCIAL 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		

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

(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 PRESENT FINAN YEAR 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 PROFIT PER SHARE (**)	\$0.00
6	EFFECT OF EXTRAORDINARY PROFIT AND LOSS ON CONTINUOUS OPERATING PROFIT PER SHARE (**)	0
7	EFFECT BY CHANGES IN ACCOUNTING POLICIES ON CONTINUOUS 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

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

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

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

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

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

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"

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

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

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

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	

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

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

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

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

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

** 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			

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

BBVA BANCOMER	0		
BANAMEX-CITIBANK	0		
BANCO INBURSA	54,636		
BANCO INBURSA	43,709		
BANCO INBURSA	0		546,360
CITIBANK	0		
CITIBANK	0		
BANAMEX-CITIBANK	0		
California Commerce B.	0		
BANCO INBURSA	113,643		
BANCO INBURSA	0	16,391	
Varios Arrend.	0		
BANCO SANTANDER MEXICANO	0		
BANCO SANTANDER MEXICANO	0		
BANCO SANTANDER MEXICANO	0		
BANAMEX-CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
CITIBANK	0		
BANAMEX-CITIBANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
BANAMEX-CITIBANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
BANCO NAL. COMERCIO EXTERIOR	0	49,172	
BBVA BANCOMER	0		
BANCO NAL. COMERCIO EXTERIOR	0	32,782	
BANAMEX-CITIBANK	0		
BANAMEX-CITIBANK	0		
BANCO NAL. COMERCIO EXTERIOR	16,801		
BANCO NAL. COMERCIO EXTERIOR	0	7,376	
BANCO NAL. COMERCIO EXTERIOR	0	78,676	
BANCO NAL. COMERCIO EXTERIOR	0	21,854	
BBVA BANCOMER	0		
BANAMEX-CITIBANK	0		
BANAMEX-CITIBANK	0		
BANCO NAL. COMERCIO EXTERIOR	56,821		
BANCO NAL. COMERCIO EXTERIOR	0	9,698	
CITIBANK	0		
CITIBANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
COMERICA BANK	0		
	0		
<hr style="border-top: 1px dashed black;"/>			
	1,038,493	215,949	546,360
<hr style="border-top: 1px dashed black;"/>			

AMORTIZATION OF LOANS IN FOREIGN CURRENCY WITH NATIONAL ENTITIES (THOUSANDS)

TIME INTERVAL

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

	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

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

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

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

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

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

(Thousands of Pesos)

TRADE BALANCE	DOLLARS (1)		OTHER CURRENCY	
	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS	THOUSANDS OF 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 LIABILITIES	(ASSET)
			LIABILITIES MONETARY 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)

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

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 OR CENTER	ECONOMIC 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)

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

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE:DESC

QUARTER: 3

YEAR: 2003

MAIN RAW MATERIALS

ANNEX 10

DOMESTIC	MAIN SUPPLIERS	FOREIGN %
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

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

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	

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

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

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

CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID 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	
		At repurchase	Market value of the share 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

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

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