

DESC S A DE C V
Form 6-K
October 26, 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 October, 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)

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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. English Translation of Consolidated Financial Statements of Registrant, at September 30, 2004 and 2003, in the format required to be filed with the Mexican Stock Exchange

CONSOLIDATED BALANCE SHEET

AT SEPTEMBER THE 30th OF 2004 AND 2003

(Thousands of Pesos)

REF S	CONCEPTS	THIRD QUARTER OF PRESENT YEAR		THIRD QUARTER OF LAST YEAR	
		Amount	%	Amount	%
1	TOTAL ASSETS	27,074,573	100%	31,055,953	100%
2	CURRENT ASSETS	9,420,380	35%	9,751,336	31%
3	CASH AND SHORT-TERM INVESTMENTS	429,897	2%	1,341,301	4%
4	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	4,263,360	16%	3,465,127	11%
5	OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE	1,040,125	4%	1,702,320	5%
6	INVENTORIES	3,521,276	13%	3,164,076	12%
7	OTHER CURRENT ASSETS	165,722	1%	78,512	0%
8	LONG-TERM	4,837,058	18%	5,244,129	19%
9	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	1,206,405	4%	1,356,132	5%
10	INVESTMENT IN SHARES OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATED	211,396	1%	45,252	0%
11	OTHER INVESTMENTS	3,419,257	13%	3,842,745	14%
12	PROPERTY, PLANT AND EQUIPMENT	11,266,445	42%	13,131,373	42%
13	PROPERTY	6,330,618	23%	7,307,762	24%
14	MACHINERY AND INDUSTRIAL EQUIPMENT (NET)	16,631,654	61%	17,181,229	55%
15	OTHER EQUIPMENT	3,176,527	12%	2,081,209	8%
16	ACCUMULATED DEPRECIATION	15,187,104	56%	14,327,267	46%
17	CONSTRUCTION IN PROGRESS	314,750	1%	888,440	3%
18	DEFERRED ASSETS (NET)	624,492	2%	1,648,353	5%
19	OTHER ASSETS	926,198	3%	1,280,762	5%
20	TOTAL LIABILITIES	14,365,164	100%	18,932,800	100%
21	CURRENT LIABILITIES	4,831,178	34%	8,093,551	43%
22	SUPPLIERS	2,374,479	17%	1,967,785	10%
23	BANK LOANS	435,209	3%	3,664,946	19%
24	STOCK MARKET LOANS	0	0%	0	0%
25	TAXES TO BE PAID	268,959	2%	732,758	4%
26	OTHER CURRENT LIABILITIES	1,752,531	12%	1,728,062	9%
27	LONG-TERM LIABILITIES	8,024,242	56%	8,769,896	46%
28	BANK LOANS	5,670,572	39%	6,414,828	34%
29	STOCK MARKET LOANS	2,353,670	16%	2,355,068	12%
30	OTHER LOANS	0	0%	0	0%
31	DEFERRED LOANS	703,457	5%	1,460,688	8%
32	OTHER LIABILITIES	806,287	6%	608,665	3%
33	CONSOLIDATED STOCK HOLDERS EQUITY	12,709,409	100%	12,123,153	100%
34	MINORITY INTEREST	3,709,052	29%	4,062,323	34%
35	MAJORITY INTEREST	9,000,357	71%	8,060,830	66%
36	CONTRIBUTED CAPITAL	15,751,140	124%	12,732,494	105%
37	PAID-IN CAPITAL STOCK (NOMINAL)	29,663	0%	17,798	0%
38	RESTATEMENT OF PAID-IN CAPITAL STOCK	11,913,228	94%	11,544,306	95%
39	PREMIUM ON SALES OF SHARES	3,808,249	30%	1,170,390	10%
40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES				
41	CAPITAL INCREASE (DECREASE)	-6,750,783	-53%	-4,671,664	-39%
42	RETAINED EARNINGS AND CAPITAL RESERVE	17,525,927	138%	18,597,350	153%

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43	REPURCHASE FUND OF SHARES	907,079	7%	907,079	7%
44	EXCESS (SHORTFALL) IN RESTATEMENT OF HOLDER S EQUITY	-24,974,291	-197%	-23,562,563	-194%
45	NET INCOME FOR THE YEAR	-209,498	-2%	-613,530	-5%

CONSOLIDATED BALANCE SHEET**BREAKDOWN OF MAIN CONCEPTS**

(Thousands of Pesos)

REF S	CONCEPTS	THIRD QUARTER OF PRESENT YEAR		THIRD QUARTER OF LAST YEAR	
		Amount	%	Amount	%
3	CASH AND SHORT-TERM INVESTMENTS	429,897	100%	1,341,301	100%
46	CASH	313,838	73%	1,026,953	77%
47	SHORT-TERM INVESTMENTS	116,059	27%	314,348	23%
18	DEFERRED ASSETS (NET)	624,492	100%	1,648,353	100%
48	AMORTIZED OR REDEEMED EXPENSES	0	0%	0	0%
49	GOODWILL	624,492	100%	1,648,353	100%
50	DEFERRED TAXES	0	0%	0	0%
51	OTHERS	0	0%	0	0%
21	CURRENT LIABILITIES	4,831,178	100%	8,093,551	100%
52	FOREIGN CURRENCY LIABILITIES	2,141,472	44%	4,678,061	58%
53	MEXICAN PESOS LIABILITIES	2,689,705	56%	3,415,489	42%
24	STOCK MARKET LOANS	0	0%	0	0%
54	COMMERCIAL PAPER	0	0%	0	0%
55	CURRENT MATURITIES OF MEDIUM TERM NOTES	0	0%	0	0%
56	CURRENT MATURITIES OF BONDS	0	0%	0	0%
26	OTHER CURRENT LIABILITIES	1,752,531	100%	1,728,062	100%
57	OTHER CURRENT LIABILITIES WITH COST	0	0%	0	0%
58	OTHER CURRENT LIABILITIES WITHOUT COST	1,752,531	100%	1,728,062	100%
27	LONG-TERM LIABILITIES	8,024,242	100%	8,769,896	100%
59	FOREIGN CURRENCY LIABILITIES	4,784,498	60%	5,231,879	60%
60	MEXICAN PESOS LIABILITIES	3,239,744	40%	3,538,017	40%
29	STOCK MARKET LOANS	2,353,670	100%	2,355,068	100%
61	BONDS	0	0%	0	0%
62	MEDIUM TERM NOTES	2,353,670	100%	2,355,068	100%
30	OTHER LOANS	0	0%	0	0%
63	OTHER LOANS WITH COST	0	0%	0	0%
64	OTHER LOANS WITHOUT COST	0	0%	0	0%
31	DEFERRED LOANS	703,458	100%	1,460,688	100%
65	NEGATIVE GOODWILL	0	0%	0	0%
66	DEFERRED TAXES	703,458	100%	1,460,688	100%
67	OTHERS	0	0%	0	0%
32	OTHER LIABILITIES	806,287	100%	608,665	100%
68	RESERVES	0	0%	0	0%
69	OTHERS LIABILITIES	806,287	100%	608,665	100%
44	EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS EQUITY	-24,974,292	100%	-23,562,563	100%
70	ACCUMULATED INCOME DUE TO MONETARY POSITION	0	0%	0	0%
71	INCOME FROM NON-MONETARY POSITION ASSETS	-24,974,292	100%	-23,562,563	100%

CONSOLIDATED BALANCE SHEET

OTHER CONCEPTS

(Thousands of Pesos)

REF S	CONCEPTS	THIRD QUARTER OF PRESENT YEAR	THIRD QUARTER OF LAST YEAR
		Amount	Amount
72	WORKING CAPITAL	4,589,202	1,657,785
73	PENSIONS FUND AND SENIORITY PREMIUMS	384,281	580,238
74	EXECUTIVES (*)	0	0
75	EMPLOYERS (*)	4,276	5,535
76	WORKERS (*)	9,347	10,165
77	CIRCULATION SHARES (*)	2,281,798,960	1,369,079,376
78	REPURCHASED SHARES (*)	0	0

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS

CONSOLIDATED INCOME STATEMENT

FROM JANUARY THE 1st TO SEPTEMBER THE 30th OF 2004 AND 2003

(Thousands of Pesos)

REF R	CONCEPTS	THIRD QUARTER OF		THIRD QUARTER OF	
		PRESENT YEAR		LAST YEAR	
		Amount	%	Amount	%
1	NET SALES	17,387,781	100%	17,056,996	100%
2	COST OF SALES	14,017,841	81%	13,245,916	78%
3	GROSS INCOME	3,369,940	19%	3,811,080	22%
4	OPERATING EXPENSES	2,591,464	15%	2,958,086	17%
5	OPERATING INCOME	778,476	4%	852,994	5%
6	TOTAL FINANCING COST	667,732	4%	1,000,497	6%
7	INCOME AFTER FINANCING COST	110,744	1%	-147,503	-1%
8	OTHER FINANCIAL OPERATIONS	27,062	0%	64,579	0%
9	INCOME BEFORE TAXES AND WORKERS PROFIT SHARING	83,682	0		