



**FOR IMMEDIATE DISTRIBUTION**

**Contact:**

**Juan Pablo Sánchez Kanter**

**SANLUIS Corporación S.A.B. de C.V.**

Tel: (5255) 5229-58-44

Fax: (5255) 5202-66-04

[www.sanluisrassini.com](http://www.sanluisrassini.com)

e-mail: jsanchez@sanluisrassini.com

**SANLUIS Corporación, S.A.B. de C.V. and subsidiaries**  
**Results for the 1st Quarter of 2009**  
(Amounts in US\$ Millions)

**Mexico City, April 30, 2009**

SANLUIS Corporación, S.A.B. de C.V. (BMV: SANLUIS), a Mexican industrial group that manufactures automotive parts (mainly Suspension and Brake system components), today reported results for its first quarter of 2009.

- Sales in the first quarter of 2009 were US\$ 94.8 million, 43% lower than in the same period of last year due lower production volume in the US and Brazilian automotive markets, as a result of the important contraction in the economic activity and the availability of credit which had an important negative effect in discretionary consumer spending.
- EBITDA (earnings before interest, income taxes, depreciation and amortization) in the quarter were US\$ 5.3 million (5.6% to sales), 63% lower than in the same period of last year due to the drastic reduction in sales volume both in the Suspension and Brake business units.

In the first quarter of 2009, SANLUIS results were lower than 2008 due to the important production and sales volume reductions experienced in the US and Brazilian automotive markets as a result of bringing inventory and production levels more in line with current and expected demand, since a drastic contraction in the availability of credit, lower spending by consumers, and larger levels of unemployment induced an important contraction in the economic activity in our main markets. The impairment of credit flows derived from the large losses and weak capitalization levels of the US commercial banking system, which was immersed with the rest of the economy in a deflationary spiral that pierced the asset bubbles created during the last ten years of continuous expansion in consumer spending, booming real estate markets, larger use of leverage and expanding



corporate profits, have importantly reduced the capitalization levels of consumers and businesses, with widespread consequences that will be clearly felt in more depth during the rest of year. In this context, where one of the deepest recessions of the last 70 years is being dealt by the world, an industry like the automotive business, involving discretionary spending decisions dependent on consumer credit availability, cannot subtract itself from the consequences of lower economic activity; therefore, the 50.8% contraction in light vehicle (automobile and light truck) demand in the US during the first quarter of 2009 compared to the same period of last year.

From the various business units of the company, the largest reductions in sales with respect to the previous year were experienced at the Nafta Suspension and Brake business units, with a drop of 33% and 72%, respectively, which originated from lower OEM production volumes in order to bring down excess inventories throughout the distribution chain and adjust production capacity to a lower projected demand. With an economy formally in recession mode since the end of 2007, the current crisis affecting financial markets and the uncertainty about the US government plans to restructure the automotive industry, the fall in demand for light vehicles has intensified, in such a way that vehicle production during January 2009, the weakest month within the quarter, reached 5.5 million units or 63% lower than the previous year and equivalent to the production levels not seen since 1940.

Since the third quarter of last year, lower market volumes were immediately matched by the company adjusting its operating levels; manufacturing operations for Suspension components were concentrated at the Piedras Negras facility in the state of Coahuila, Mexico (100 miles south of San Antonio, Texas) temporarily idling other uncompetitive facilities, improving with this our productivity by reducing unit costs for energy, freight, packaging and coating, at the same time that total consolidated headcount in the North American region went from 4,047 workers and employees at the beginning of 2008 to 2,442 in the first quarter of this year (a 40% headcount reduction, similar to the market contraction experienced in the year).

**SANLUIS Corporación, S.A.B. de C.V.**

Consolidated Results

(amounts in USD million)

Quarter #	2008				2008	2009	
	1	2	3	4	Total	1	LTM
<b>Divisional Sales</b>							
- Suspensions	134.8	141.5	126.0	93.0	<b>495.3</b>	86.4	<b>446.9</b>
- Brakes	30.1	33.6	37.4	27.8	<b>128.9</b>	8.4	<b>107.2</b>
<b>Total Sales</b>	<b>164.9</b>	<b>175.1</b>	<b>163.4</b>	<b>120.8</b>	<b>624.2</b>	<b>94.8</b>	<b>554.1</b>
<b>EBITDA *</b>	14.3	11.8	7.7	5.1	<b>38.9</b>	5.3	<b>29.9</b>
*Before Leasing							
Margin (EBITDA/Sales)	9%	7%	5%	4%	6%	6%	5%



In spite of rationalizing operational scale to match lower market size, the drop in sales volume impacted EBITDA reducing it 63% against the level recorded in the first quarter of last year. The direct impact to the EBITDA level linked to lower OEM vehicle production both in the US and Brazil, reduced EBITDA in US\$ 17.1 million, which was partially compensated by US\$ 8.4 million in cost reductions linked to the immediate actions taken to rationalize our operations and meet lower expected demand levels. Therefore, 100% of the drop seen at the EBITDA level during the quarter reflects the lower demand experienced in the aforementioned markets.

The cost reductions resulting from the rationalization of manufacturing operations in 2008 are starting to materialize in the first quarter of this year, as seen through a permanent reduction in the fixed manufacturing cost base, helping us to permanently lower the breakeven point of our operations. In the Nafta Suspension business, we have been able to reduce the breakeven point in 33% and 48% for the Brake business; these efforts are helping us to face with more sufficiency the 2009 lower market volume forecasted for light vehicles in the North American region.

However, a lower first quarter EBITDA, in spite of lower interest expense (due to lower international rates), finally generated a net loss of US\$ 9.4 million. Such loss includes US\$ 1.5 million in severance payments which are non-recurring extraordinary expenses linked to the rationalization of our operations.

The challenging economic environment and the continuous worsening of our customers financial health, continued to severely limit our access to the traditional credit sources which we had used to fund our working capital requirements. The lines of credit in which we had historically used our customer receivables as collateral, were cancelled due to our funding sources not being comfortable with the credit risk posed by our customer base, the large automotive OEMs. Due to this, the company immediately implemented during the fourth quarter of last year a very aggressive plan to reduce working capital, accelerating collections through the reduction of credit terms to customers, substantially reducing purchases and inventories of raw materials while extending payment terms to suppliers. Thanks to this quick reaction and the support of our customer and supplier base, we were able to further reduce working capital in US\$ 1.6 million during the quarter and with it, we were able to partially compensate the 63% reduction in EBITDA. Additionally, coupling this with a reduction in capital expenditures and the rescheduling of principal payments in our debt at the end of last year, the company was able to sort the very difficult economic conditions finishing the quarter with a slightly larger cash balance than that it had started, fully complying with all of its obligations without any impairment to its operations.

Considering the challenging economic environment faced by all sectors, but mostly the automotive business, SANLUIS has adequately realigned its operations to be able to maintain a commanding market share in the Suspension and Brake system component segment, leveraging its low cost base, to be considered an essential supplier to OEMs in the Nafta an MERCOSUR regions, where it is competitively positioned to share in the eventual



upswing of the economic cycle once credit flows to consumers restart in the developed world.

## **SANLUIS**

SANLUIS manufactures Suspension and Brake system components for the global automotive industry, with a focus on original equipment manufacturers (OEMs).

Suspension products include Leaf springs (parabolic and multi-leaf), Coil springs, Torsion Bars, Bushings, and Stabilizer Bars. The Brake business manufactures Rotors, Drums, Assemblies and Clutch Housings.

SANLUIS-Rassini has a 93% share of the Nafta market for Light truck suspensions. In the Brake business the company maintains a growing share of the Light vehicle market in the US and Mexico, while in Brazil the company has a 65% share of the Leaf spring market. Its solid and diversified customer base includes: General Motors, Ford Motor Company, Chrysler, Nissan, Volkswagen, Toyota, Scania, BMW and Mercedes Benz.



## SANLUIS Corporación, S.A.B. de C.V. and Subs.

Consolidated Statements of Income for the period January-March, 2009 and 2008  
(in thousands of Mexican Pesos)

	2009	2008
Net Sales	<b>1,360,642</b>	<b>1,783,626</b>
Cost of Sales	1,177,535	1,523,900
Gross Profit	183,107	259,726
General Expenses	178,053	188,750
Operating Income	5,054	70,976
Other Expenses	(43,646)	(13,023)
Financial Expenses	(94,343)	(82,748)
Other Financial Charges	(44,499)	(4,734)
Financial Gain	1,792	5,400
Exchange (Gain) Loss	0	45,009
Income from affiliates	(10,326)	0
Income (loss) before Taxes and Profit Sharing	(185,968)	20,880
Taxes	(7,791)	15,849
Deferred Taxes	(21,956)	(4,683)
Net Income	(156,221)	9,714
Minority Interests	(21,573)	15,043
Majority Interests	<b>(134,648)</b>	<b>(5,329)</b>
Depreciation and Amortization	70,950	70,050
EBITDA	<b>76,004</b>	<b>141,026</b>
<b><u>Financial and operating indicators</u></b>		
Gross Margin	13.46%	14.56%
EBITDA Margin	5.59%	7.91%
Operative Margin	0.37%	3.98%
Net Interest coverage (EBITDA/Net Interest Expense)	0.8	1.8



## SANLUIS Corporación, S.A.B. de C.V. and Subs.

Consolidated Balance Sheet as of March 31, 2009 and 2008  
(in thousands of Mexican Pesos)

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash and equivalents	349,785	247,977
Customer receivables	475,302	885,090
Other Accounts Receivable	149,888	188,999
Inventories	555,209	587,512
Other Current Assets	11,932	28,877
<b>Total current assets</b>	<b><u>1,542,116</u></b>	<b><u>1,938,455</u></b>
Investment in affiliates and long-term receivables	84,184	98,758
Property, Plant and Equipment, net	4,552,867	3,341,115
Other assets	1,176,283	1,090,939
<b>Total Assets</b>	<b><u>7,355,450</u></b>	<b><u>6,469,267</u></b>
<b>Liabilities</b>		
Suppliers	1,072,423	1,062,157
Notes Payable	383,179	536,691
Other Current Liabilities	907,791	574,317
Long Term Debt	3,092,717	2,004,119
Other Long Term Liabilities	197,064	108,219
<b>Total Liabilities</b>	<b><u>5,653,174</u></b>	<b><u>4,285,503</u></b>
<b>Consolidated Net Worth</b>		
Majority Interest Equity	623,120	1,173,481
Minority Interest Equity	1,079,156	1,010,283
<b>Total consolidated Net Worth</b>	<b><u>1,702,276</u></b>	<b><u>2,183,764</u></b>
<b>Total liabilities and Net Worth</b>	<b><u>7,355,450</u></b>	<b><u>6,469,267</u></b>