



FOR IMMEDIATE DISTRIBUTION

Contact:

Juan Pablo Sánchez Kanter

SANLUIS Corporación S.A.B. de C.V.

Tel: (5255) 5229-58-21

Fax: (5255) 5202-58-95

www.sanluisrassini.com

e-mail: jsanchez@sanluisrassini.com

SANLUIS Corporación, S.A.B. de C.V. and subsidiaries
Results for the 4th. Quarter of 2008
(Amounts in US\$ Millions)

Mexico City, February 27, 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 fourth quarter of 2008.

- Sales in the fourth quarter of 2008 were US\$ 120.8 million, and US\$ 624.2 million for the full year 2008.
- EBITDA (earnings before interest, income taxes, depreciation and amortization) in the quarter were US\$ 5.1 million (4.2% to sales), and US\$ 38.9 million (6.2% to sales) for the full year 2008.
- Comparing against the same period of last year, Sales and EBITDA decreased 32% and 67%, respectively during the quarter; while in a full year comparison, Sales and EBITDA decreased 13% and 50%, respectively.

In 2008, SANLUIS results were lower than 2007 due to the important production and sales volume reductions experienced in the US automotive market, where 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 of our main market. 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 2009. 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 18% contraction in light vehicle (automobile and light truck) demand in the US for 2008 (with a 35% contraction solely in the last quarter of the year) is a harbinger of things to come in 2009.

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 business, with a 31% fall due to the general market contraction, mostly in the light truck segment, on top of a three month long strike at American Axle, the largest axle supplier to General Motors Corp. (GM), that practically halted truck assembly at GM, our largest customer, and with it affecting the whole truck supply chain (from March through May'08). However, in spite of this drop, the other business units reported heartening results, considering the poor economic environment under which we had to operate, since the Brazilian Suspension business grew 25% against 2007, and the Brake business reported a 6% increase in sales based on better average selling prices, due to the agreements with its customers to pass through larger steel and power costs, which had been previously absorbed by the company.

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 4,158 workers and employees at the beginning of the year to 2,825 by the end of 2008 (a 32% headcount reduction, similar to the market contraction experienced in the year).

Consolidated Results
(amounts in USD million)

Quarter #	2007				2007 Total	2008				2008 Total
	1	2	3	4		1	2	3	4	
Divisional Sales										
- Suspensions	133.9	168.9	147.1	145.8	595.7	134.8	141.5	126.0	93.0	495.3
- Brakes	24.4	32.3	32.6	32.7	122.0	30.1	33.6	37.4	27.8	128.9
Total Sales	158.3	201.2	179.7	178.5	717.7	164.9	175.1	163.4	120.8	624.2
Ebitda	19.7	26.5	15.9	15.6	77.7	14.3	11.8	7.7	5.1	38.9
Margin (EBITDA/Sales)	12%	13%	9%	9%	11%	9%	7%	5%	4%	6%



In spite of rationalizing operational scale to match lower market size, the drop in sales volume impacted EBITDA reducing it 50% against the level recorded in 2007. The direct impact to the EBITDA level linked to the American Axle strike, that affected sales to GM in 2008, was US\$ 7.1 million, while lower volume due to the overall market contraction affected EBITDA in US\$ 25.9 million; therefore, a total of 85% of the drop in operating profitability of the company was linked to lower market volume in North America.

However, the cost reductions resulting from the rationalization of manufacturing operations did not fully materialize in the year, because severance payments made in connection with headcount reductions and the higher average cost of energy, completely absorbed the immediate savings obtained. We expect that such savings will be fully reflected in 2009 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 will help us face with more sufficiency the 2009 lower market volume forecasted for light vehicles in the North American region.

A lower 2008 EBITDA, in spite of lower interest expense (due to lower international rates), finally generated a net loss of US\$ 48.1 million. However, such loss includes US\$ 23 million in non-recurring extraordinary expenses linked to the reorganization / rationalization of our operations.

Additionally, yearend results reflected an accounting change based on a recently published reporting rule (CINIF, Bulletin "B-15"), which applies to companies like SANLUIS, where the "operating currency" (US dollars) is different from the "reporting currency" (Mexican Peso); due to this, the important exchange rate movement reflected in the last quarter of 2008, which otherwise would have generated an exchange loss in peso terms affecting the income statement, did not materialize due to the fact that the net fixed assets were accounted for in US dollars (using the exchange rate prevailing at the end of 2007), since such non-monetary assets do not lose value in spite of a peso devaluation like the one we had at the end of 2008.

The challenging economic environment and the continuous worsening of our customers financial health, severely limited 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 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 reduce working capital in US\$ 46.9 million and with it, in spite of the 50% reduction in the 2008 EBITDA, operating cashflow generated by the company was just 6% below previous year levels. Additionally, coupling



this with a substantial reduction in capital expenditures and the rescheduling of principal payments in our debt, the company was able to sort the very difficult economic conditions faced during 2008, finishing the year with nearly the same cash balance that it had started, but 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 and 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-december, 2008 and 2007
(in thousands of Mexican Pesos)

	2008	2007
Net Sales	6,957,807	7,999,705
Cost of Sales	6,018,590	6,644,705
Gross Profit	939,217	1,355,000
General Expenses	749,749	906,007
Operating Income	189,468	448,993
Other Expenses	(173,190)	(1,089,333)
Financial Expenses	(357,550)	(423,862)
Other Financial Charges	(127,566)	(27,332)
Financial Gain	19,919	34,452
Exchange (Gain) Loss	0	(49,142)
Monetary Position (Gain) Loss	0	99,484
Income from affiliates	(5,252)	4,556
Income (loss) before Taxes and Profit Sharing	(454,171)	(1,002,184)
Taxes and Employee Profit Sharing	79,418	94,193
Deferred Taxes	(42,307)	(9,562)
Net Income	(491,282)	(1,086,815)
Minority Interests	45,244	(104,117)
Majority Interests	(536,526)	(982,698)
Depreciation and Amortization	244,819	416,935
EBITDA	434,287	865,928
<u>Financial and operating indicators</u>		
Gross Margin	13.50%	16.94%
EBITDA Margin	6.24%	10.82%
Operative Margin	2.72%	5.61%
Net Interest coverage (EBITDA/Net Interest Expense)	1.3	2.2



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

Consolidated Balance Sheet as of December 31, 2008 and 2007

(in thousands of Mexican Pesos)

	<u>2008</u>	<u>2007</u>
Assets		
Cash and equivalents	323,500	318,919
Customer receivables	417,813	897,996
Other Accounts Receivable	164,561	164,115
Inventories	670,695	646,582
Other Current Assets	42,935	37,566
Total current assets	<u>1,619,504</u>	<u>2,065,178</u>
Investment in affiliates and long-term receivables	94,061	98,830
Property, Plant and Equipment, net	4,213,601	3,318,705
Other assets	1,133,803	1,106,574
Total Assets	<u>7,060,969</u>	<u>6,589,287</u>
Liabilities		
Suppliers	1,058,447	1,008,827
Notes Payable	381,278	543,417
Other Current Liabilities	776,037	622,761
Long Term Debt	2,761,234	2,088,756
Other Long Term Liabilities	302,865	142,905
Total Liabilities	<u>5,279,861</u>	<u>4,406,666</u>
Consolidated Net Worth		
Majority Interest Equity	707,862	1,167,613
Minority Interest Equity	1,073,246	1,015,008
Total consolidated Net Worth	<u>1,781,108</u>	<u>2,182,621</u>
Total liabilities and Net Worth	<u>7,060,969.2</u>	<u>6,589,287.0</u>