



Genomma Lab[®]
Internacional

First Quarter Report 2014

Genomma Lab achieves **17.0%** Top Line Growth and a **21.1%** Net Income increase in the First Quarter of 2014

GENOMMA LAB INTERNACIONAL ANNOUNCES ITS FIRST QUARTER 2014 RESULTS

Mexico City, Mexico, April 29th, 2014

Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB.B) (“Genomma Lab” or “the Company”), announced today its results for the quarter ended March 31, 2014. All figures included herein are stated in nominal Mexican pesos and were prepared in accordance with International Financial Reporting Standards (IFRS). As of January 1st of 2012, the Company adopted IFRS as the accounting framework for its financial statements to comply with the provisions established by the Mexican National Banking and Securities Commission (CNBV).

1Q 2014 Highlights (vs. 1Q 2013)

- Net Sales for the first quarter reached Ps. 2.44 billion, increasing 17.0%, compared to the same period of 2013.
- During the first quarter, sales from our Mexican operations increased 1.6% to Ps. 1.07 billion, compared to the same quarter of 2013, representing 60.6% of total sales for the last twelve months.
- Sales from our international operations increased 32.7% in the first quarter to Ps. 1.37 billion, compared to the same quarter of 2013, representing 39.4% of total sales for the last twelve months.
- EBITDA increased 14.1% in the first quarter to Ps. 376.4 million, representing a 15.4% margin.
- Consolidated Net Income increased 21.1% in the first quarter to Ps. 179.1 million, compared to the same quarter of 2013. Earnings per Share¹ for the quarter increased 13.6% to Ps. 1.69, compared to the same period of 2013.
- Cash Conversion Cycle reached 155 days as of March 31, 2014, compared to 158 days as of March 31, 2013.

¹ Earnings per Share are for the last 12 months and were calculated using the weighted average of shares outstanding for the period.

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Comments from the CEO

Mr. Rodrigo Herrera, Chief Executive Officer, mentioned: "We are glad to start 2014 with positive results for the Company.

Our Mexican sales increased 1.6%, compared to the same period of 2013, and were mainly driven by a solid growth in our OTC segment, which showed once again its defensive strength despite the weak consumption environment in the country that caused our personal care sales to continue having sluggish results.

Our international operations remained strong, posting a 32.7% growth rate for the quarter, mainly driven by Brazil and the United States. We remain optimistic about the Company's international expansion as our brands and products gain presence in countries outside Mexico.

Additionally, at the beginning of the second quarter, we made strategic changes to the Company's commercial area, which I am confident will help strengthen Genomma Lab's business model and improve the presence of its products and brands to achieve a larger shelf space and, therefore, achieve further growth in market share, mainly in the personal care segment.

We are satisfied with the results observed in our cash conversion cycle. We will continue to work on maintaining healthy levels and mitigating its volatility notwithstanding the strong international growth.

As mentioned in our 2014 guidance, we expect our international operations to be the main driver of growth for this year, while maintaining a solid position and growth in our Mexican operations."

Consolidated Results of Operations for the First quarter of 2014

The following table shows consolidated results of operations, in millions of pesos (except share and per-share data), and margins are shown as a percentage of Net Sales. All figures for 2014 are compared to the same period of the previous year:

For the first quarter ended March 31, 2014 and 2013
 (In millions of current Mexican Pesos)

	1st Quarter		
	2014	2013	%Var
Net Sales	2,438.2	2,084.2	17.0
Gross Profit	1,694.7	1,436.8	17.9
Gross Margin	69.5%	68.9%	0.6
EBITDA ¹	376.4	329.7	14.1
EBITDA Margin	15.4%	15.8%	(0.4)
Operating Income	357.5	315.6	13.3
Operating Income Margin	14.7%	15.1%	(0.4)
Net Income of Majority Shareholders	153.4	131.3	16.9
Net Income of Majority Shareholders Margin	6.3%	6.3%	(0.0)
Weighted average number of shares outstanding	1,048,733,370	1,048,733,370	0.0
EPS (12 months) ²	1.69	1.49	13.6

¹ EBITDA is calculated by adding depreciation and amortization to the Operating Income.

² Earnings per share are for the last 12 months and were calculated using the weighted average of shares outstanding for the period. The total number of shares outstanding as of March 31, 2014 totaled 1,048,733,370.



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Net Sales rose 17.0% to Ps. 2.44 billion in the first quarter of 2014, from Ps. 2.08 billion in the first quarter of 2013.

Net Sales by brands are classified as follows:

- 1) **Base Brands** represent brands launched at least two years prior to the last fiscal year (2012, 2011, 2010 and earlier) in Mexico;
- 2) **Prior Year Launches** are brands launched during the prior fiscal year (2013) in Mexico;
- 3) **New Brands** are brands launched during the current fiscal year (2014) in Mexico; and
- 4) **International** refers to Net Sales of our international operations.

The increase in Net Sales resulted from the combination of the following factors:

- i) sales from **Base Brands** in Mexico amounting to Ps. 946.4 million during the first quarter, including line extensions;
- ii) an increase of 363.8% (Ps. 90.5 million) from **Prior Year Launches** in Mexico during the first quarter due to the full year effect, including the recent line extensions of these brands, resulting in sales of Ps. 115.3 million;
- iii) Ps. 8.7 million in the first quarter of 2014 from **New Brands** in Mexico; and,
- iv) a 32.7% increase (Ps. 337.1 million) from **international** operations, totaling Ps. 1.37 billion in the first quarter of 2014.

Gross Profit increased 17.9% to Ps. 1.69 billion in the first quarter of 2014, compared to Ps. 1.44 billion during the first quarter of 2013. Gross Margin increased 0.6 percentage points, as a percentage of Net Sales, to 69.5% in the first quarter of 2014, compared to 68.9% in the same period of 2013. This increase in margin was primarily due to a better mix of our products, derived from a higher participation of our over-the-counter (OTC) products which, as a percentage of Net Sales, have a lower cost of goods sold.

Selling, General and Administrative Expenses, as a percentage of Net Sales, increased 0.8 percentage points to 54.9% in the first quarter of 2014, compared to 54.1% in the same period of 2013. This increase was primarily derived from higher advertising expenses, mainly in our international operations, which continued to show a strong expansion, in addition to a higher amortization, derived from the “Navision” ERP and “Manhattan” Warehouse Management System investment projects.

EBITDA increased 14.1% to Ps. 376.4 million in the first quarter of 2014, compared to Ps. 329.7 million in the first quarter of 2013. The EBITDA margin decreased 0.4 percentage points, as a percentage of Net Sales, to 15.4% in the first quarter of 2014, from 15.8% in the same period of 2013. The EBITDA margin decreased primarily due to higher Selling, General and Administrative Expenses (excluding Depreciation and Amortization), as a percentage of Net Sales, which was offset by lower cost of goods sold, as a percentage of Net Sales.



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EBITDA Reconciliation

For the first quarter ended March 31, 2014 and 2013
(In millions of current Mexican pesos)

	<u>2014</u>	<u>2013</u>
Consolidated net income	179.1	147.9
Income tax expense	88.2	68.2
Not consolidated subsidiaries (income)	0.3	(8.7)
Comprehensive financing cost	89.8	108.2
Operating income	357.5	315.6
Depreciation and amortization	18.8	14.1
EBITDA	376.4	329.7
EBITDA margin	15.4%	15.8%

Operating Income increased 13.3% to Ps. 357.5 million in the first quarter of 2014, compared to Ps. 315.6 million in the first quarter of 2013. Operating Margin, as a percentage of Net Sales, decreased 0.4 percentage points, reaching 14.7% in the first quarter of 2014, from 15.1% in the same period of 2013.

Comprehensive Financing Result represented a loss of Ps. 89.8 million in the first quarter of 2014, which is an improvement of Ps. 18.4 million compared to the loss of Ps. 108.2 million recorded in the first quarter of 2013. This change was a result of: i) a Foreign Exchange loss amounting to Ps. 43.0 million during the first quarter of 2014, compared to a Ps. 43.3 million loss during the same period of 2013, the loss in this quarter was a result of the depreciation of the US Dollar exchange rate vs. the Company's operating currencies, which was reflected in the Company's cash position in US Dollars; ii) an increase of Ps. 15.1 million in Financial Expenses to Ps. 89.1 million during the first quarter of 2014, compared to Ps. 74.0 million during the same period of 2013; iii) a higher Interest Income amounting to Ps. 3.4 million during the first quarter of 2014, compared to Ps. 1.7 million in the same period of 2013; and, iv) a Ps. 38.9 million gain in the first quarter of 2014 related to the Exchange Rate conversion from our foreign operations, compared to a Ps. 7.3 million gain in the same period of 2013.

Consolidated Net Income increased 21.1% to Ps. 179.1 million in the first quarter of 2014, representing a margin of 7.3% over Net Sales, compared to Ps. 147.9 million in the first quarter of 2013, which represented a margin of 7.1%.



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Balance Sheet

As of March 31, 2014, March 31, 2013 and December 31, 2013
(In millions of current Mexican pesos)

	March 31, 2014	March 31, 2013	Var Mar' 14 vs Mar' 13	% Var Mar' 14 vs Mar' 13	December 31, 2013	Var Mar' 14 vs Dic' 13	% Var Mar' 14 vs Dic' 13
Balance Sheet Information:							
Cash and Equivalents	1,707.6	1,020.9	686.7	67.3%	1,767.1	(59.5)	-3.4%
Clients	4,667.5	4,320.2	347.3	8.0%	5,016.1	(348.5)	-6.9%
Inventories	1,501.8	1,078.2	423.6	39.3%	1,442.1	59.7	4.1%
Other current Assets	1,933.6	1,742.7	190.9	11.0%	1,762.0	171.6	9.7%
Total Assets	17,465.9	13,127.9	4,338.0	33.0%	17,352.9	113.0	0.7%
Suppliers	1,390.1	1,038.5	351.6	33.9%	1,644.1	(254.0)	-15.4%
Other current Liabilities	763.8	931.9	(168.2)	-18.0%	705.1	58.7	8.3%
Current portion of debt	289.5	1,225.4	(935.9)	-76.4%	805.0	(515.5)	-64.0%
Unsecured local bonds	3,983.2	-	3,983.2		3,982.1	1.1	0.0%
Long-term Loans with financial institutions	1,344.7	2,520.1	(1,175.4)	-46.6%	668.7	676.0	101.1%
Total Liabilities	8,459.8	6,008.7	2,451.1	40.8%	8,517.6	(57.8)	-0.7%
Stockholders Equity	9,006.1	7,119.2	1,886.9	26.5%	8,835.3	170.8	1.9%
Working Capital ⁽¹⁾	7,367.1	6,191.6	1,175.5	19.0%	7,638.0	(270.9)	-3.5%
Working Capital less cash	5,659.5	5,170.7	488.8	9.5%	5,870.9	(211.4)	-3.6%
Clients days	143	154	(11)	-6.8%	159	(16)	-9.8%
Inventories days	154	122	32	25.7%	152	2	1.3%
Suppliers days	142	118	24	20.8%	173	(31)	-17.6%
Cash Conversion Cycle	155	158	(3)	-2.2%	138	17	12.2%

⁽¹⁾ Working Capital consists of current assets minus current liabilities.

Cash and Equivalents increased 67.3% (Ps. 686.7 million) to Ps. 1.71 billion as of March 31, 2014, compared to Ps. 1.02 billion as of March 31, 2013. This increase was mainly due to cash generated from our operations during the last twelve months, which was offset by several payments for brand acquisitions, which were also financed with new loans from financial institutions.

Clients amounted to Ps. 4.67 billion as of March 31, 2014, compared to Ps. 4.32 billion as of March 31, 2013. Days of Clients decreased 11 days to 143 days as of March 31, 2014, from 154 days as of March 31, 2013. This decrease is the result of stricter terms with clients in Mexico, which started in the first quarter of 2013. The Company has been able to maintain improved levels of Days of Clients, and it continues to work on further improvement.

Inventories amounted to Ps. 1.50 billion as of March 31, 2014, compared to Ps. 1.08 billion as of March 31, 2013. Days of Inventories increased 32 days to 154 days as of March 31, 2014, compared to 122 days as of March 31, 2013. This increase was primarily derived from building inventories in our international operations to support the growth these are having. Days of Inventories will start improving as the Company increases its local outsourced production.

Other Current Assets amounted to Ps. 1.93 billion as of March 31, 2014, from Ps. 1.74 billion as of March 31, 2013. This increase was derived from payments to suppliers outside of Mexico made in advance, as part of the strategy to improve the Company's operations, in addition to taxes in favor of the Company that will be compensated throughout 2014.

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Suppliers amounted to Ps. 1.39 billion as of March 31, 2014, compared to Ps. 1.04 billion as of March 31, 2013. Days of Suppliers increased 24 days to 142 as of March 31, 2014, from 118 days as of March 31, 2013. This increase is in line with the increase in inventories, in addition to a lower base, as in the first quarter of 2013 we started working with suppliers outside of Mexico, which implied shorter terms and some payments in advance. We have been able to increase Days of Suppliers by building better relationships, as scale and volume have increased.

Other Current Liabilities amounted to Ps. 763.8 million as of March 31, 2014, from Ps. 931.9 million as of March 31, 2013.

Loans with Financial Institutions amounted to Ps. 1.63 billion as of March 31, 2014, compared to Ps. 3.75 billion as of March 31, 2013. The current portion of long term debt amounted to Ps. 289.5 million, which represents 21.5% of the total debt with financial institutions.

Unsecured debt certificates ("Certificados Bursátiles") amounted to Ps. 3.98 billion as of March 31, 2014.

As of March 31, 2014 the Gross Debt with cost of the Company amounted to Ps. 5.62 billion, which represents a Net Debt to EBITDA ratio of 1.28.

Cash Conversion Cycle reached 155 days at the end of the first quarter of 2014, which represents a decrease of 3 days compared to the 158 days at the end of the same period of 2013. In the first quarter of 2013, the Company took the first strategic actions to improve its cash conversion cycle, which resulted in improvements during that same quarter. The objective is to maintain a healthy level of our cash conversion cycle, while mitigating volatility.

Operations Summary

Net Sales Segmentation for the first quarter of 2014

During the first quarter of 2014, pharmaceutical products¹ represented 61.8% of our Mexican sales, while the personal care products² represented 38.2%.

Net Sales of our pharmaceutical products in Mexico¹ increased 6.0% to Ps. 661.5 million during the first quarter of 2014, compared to the same period of 2013.

Net Sales of our personal care products in Mexico decreased 4.8% in the first quarter of 2014 to Ps. 408.9 million, compared to the same period of 2013.

Net Sales from our international operations increased 32.7% to Ps. 1.37 billion for the first quarter of 2014, compared to Ps. 1.03 billion for the same period in 2013. Growth in these operations was

¹ Pharmaceutical products: includes OTC products and generics in Mexico. We have decided to add sales from OTC products and generics in one single segment (Pharma) since Primer Nivel, our generics line of business, is not significant enough to be viewed as a different segment and, therefore, will be considered one of our brands as part of our pharmaceutical segment.

² Personal care products: includes only personal care products in Mexico.



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mainly driven by Brazil, increasing sales in 67.7%, compared to the same quarter of last year. For the last twelve months, as of March 31, 2014, our International operations represent 39.4% of Total Sales.

(In millions of current Mexican Pesos)

	1Q14			1Q13			%Var
	Pharma*	PC	Total 1Q14	Pharma*	PC	Total 1Q13	
Mexico	661.5	408.9	1,070.4	624.0	429.4	1,053.5	1.6%
International	410.5	957.3	1,367.8	201.9	828.8	1,030.7	32.7%
TOTAL	1,072.0	1,366.2	2,438.2	825.9	1,258.3	2,084.2	17.0%

* Pharma refers to OTC and generic pharmaceutical products in Mexico and OTC pharmaceutical products in the international operations.

New Product Launches and Line Extensions

During the first quarter of 2014, the Company launched 12 line extensions from our **Base Brands** and **Prior Year Launches**, and 3 new products under **New Brands**. Some of the products recently launched are:

Xyloproct, acquired in September of 2013, was recently launched after its renovation process. *Xyloproct* is an anti-inflammatory anesthetic that helps relieve pain and discomforts caused by hemorrhoids.

Oxygricol, our recently acquired and re-launched brand, is an anti-flu treatment that helps relieve symptoms such as fever, headache, general physical discomfort, nasal congestion and tearing.

Passiflorine, is an OTC treatment for stress, anxiety and sleep problems. The brand was acquired in September of 2013 and, after a full renovation process, has been recently re-launched to the market.

Other Corporate Events

- On March 10th, the Company announced the signing of an agreement to acquire 50% of Grupo Comercial e Industrial Marzam S.A. de C.V., one of the main medicine and personal care products distributors in Mexico, with the option to acquire up to 100%.

This acquisition, which is subject to the approval of several typical conditions for this type of transaction, including the approval of the Federal Economic Competition Commission, will allow Genomma Lab to gain better vertical integration of its development-distribution chain of OTC and personal care products. We expect the transaction to be completed during this second quarter of the year. Initially, the operations of the acquired company will not be consolidated in Genomma Lab's results until a higher percentage of Grupo Marzam is acquired, and it will follow a "logistics and distribution fee" scheme. The



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margins of this operation will be in line with Genomma Lab's current margins. The initial amount of this strategic investment will amount to Ps. 600 million.

- On March 31st of this year, Genomma Lab strengthened its commercial department with the incorporation of a commercial team led by Marco Sparvieri, former Sales Head of Procter and Gamble Mexico, who has more than 20 years of experience in mass consumer companies. This change will revitalize the Company's business model with a stronger commercial department, improving the presence of its brands and products in Mexico and abroad.
- During the first quarter of 2014, the Company made the final payment amounting to Ps. 263.8 million related to the acquisition of the two packages of brands announced in January 13th, 2014.
- This morning, April 29th, Genomma Lab celebrated its Annual Shareholders' Meeting, during which the Audited Financial Statements were approved, as well as the changes to our Board of Directors and its Committees. As of today, the following members join the Company's Board of Directors:
 - **Ricardo Gutiérrez Muñoz**- A public accountant from the Instituto Politecnico Nacional with a Masters Degree in Finance from Universidad LaSalle, has been Member of the Board of Directors at the following companies: Mexichem S.A.B. de C.V., Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., Grupo Pochteca, S.A.B. de C.V. and the Bolsa Mexicana de Valores, S.A.B. de C.V. Mr. Gutiérrez has also served as CEO at Mexichem S.A.B. de C.V., CEO and Member of the Board at Grupo Industrial Camesa and Industrias Synkro, Corporate Development Vice-president at Empresas Lanzagorta, and CFO at Indetel/Alcatel.
 - **Julio Sotelo Morales**- Surgeon and Doctor from Universidad Nacional Autonoma de Mexico, specialist in Clinical Neurology with degrees in Neuroimmunology Research from London University and in Neurovirology from the National Institute of Health of the United States. Currently, he is the Neuroimmunology Chief at the National Institute of Neurology and Neurosurgery. Among other positions, he served as the Advisors' Coordinator at the Health Secretary and General Manager of the National Institute of Neurology and Neurosurgery in Mexico.
 - **Eduardo Francisco Solórzano Morales**- has an Economics Degree from the Instituto de Estudios Superiores de Monterrey and a Masters Degree in Economics from Universidad de las Americas. Mr. Solórzano has served as Executive Vice-president, President and CEO President of Wal-Mart Latinoamerica at Wal-Mart Stores Inc., CEO and President of Wal-Mart Mexico, among other positions in that company. Today, he serves as a Member of the Board of Wal-Mart Centroamerica and Instituto Mexicano para la Competitividad.

These new members will be substituting Luis Ernesto Maccisse Uribe, José Manuel Sainz González and Fernando Paiz Andrade, who will no longer be part of the Board of Directors.



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Analyst Coverage

Actinver Casa de Bolsa S.A. de C.V.; Banco Itaú BBA, S.A.; BBVA Bancomer, S.A. Institución de Banca Múltiple; BTG Pactual US Capital LLC; Casa de Bolsa Credit Suisse S.A.; GBM Grupo Bursátil Mexicano, S.A. de C.V. Casa de Bolsa; Grupo Financiero Monex; Grupo Financiero Banorte S.A.B de C.V.; Grupo Financiero Ve por Más, HSBC Securities (USA) Inc.; Intercam Casa de Bolsa, S.A. de C.V.; Invex Grupo Financiero S.A. de C.V.; JP Morgan Securities LLC; Santander Investment Securities Inc.; Signum Research; UBS Casa de Bolsa S.A., and Vector Casa de Bolsa.

Company Description

Genomma Lab Internacional, S.A.B. de C.V. is one of the fastest growing pharmaceutical and personal care products companies in Mexico with an increasing international presence. Genomma Lab develops, sells and markets a broad range of premium branded products, many of which are leaders in the categories in which they compete in terms of sales and market share. Genomma Lab relies on the combination of a successful new product development process, a consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model.

Genomma Lab's shares are listed on the Mexican Stock Exchange under the ticker symbol "LAB.B" (Bloomberg: labb.mx).

Note on Forward-Looking Statements

This report may contain certain forward-looking statements and information relating to the Company that reflect the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe," "anticipate," "expect," "envisages," "will likely result," or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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Income Statement

Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

For the three months ended on March 31, 2014 and 2013

(In thousands of current Mexican pesos)

	FIRST QUARTER		VAR
	2014	2013	%
Net Sales	2,438,164	2,084,209	17.0%
Cost of goods sold	743,454	647,385	14.8%
Gross Income	1,694,710	1,436,824	17.9%
Selling, general and administrative expenses	1,319,044	1,113,209	18.5%
Other expenses	576	396	45.5%
Other income	1,273	6,504	(80.4%)
EBITDA	376,363	329,723	14.1%
Depreciation and amortization	18,847	14,093	33.7%
Income form Operations	357,516	315,630	13.3%
Interest expense	(89,101)	(74,008)	20.4%
Interest income	3,404	1,729	96.9%
Exchange expense	(4,151)	(35,962)	(88.5%)
Comprehensive financing income (cost)	(89,848)	(108,241)	(17.0%)
Associated company	(335)	8,718	(103.8%)
Income before income taxes	267,333	216,107	23.7%
Income tax expense	88,209	68,202	29.3%
Consolidated Net Income	179,124	147,905	21.1%
Net income of minority stockholders	25,728	16,651	54.5%
Net income of majority stockholders	153,396	131,254	16.9%
Conversion result from foreign currencies	(8,668)	(46,347)	(81.3%)
Comprehensive Income	144,728	84,907	70.5%



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Balance Sheet

Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

As of March 31, 2014, March 31, 2013 and December 31, 2013

(In thousands of current Mexican Pesos)

	MARCH		VARIATION		DECEMBER	VARIATION	
	2014	2013	Amount	%	2013	Amount	%
ASSETS							
Current assets							
Cash and equivalents	1,697,742	1,013,247	684,495	68%	1,759,019	(61,277)	(3%)
Restricted fund	9,899	7,651	2,248	29%	8,126	1,773	22%
Clients - Net	4,667,550	4,320,242	347,308	8%	5,016,080	(348,530)	(7%)
Others accounts receivable	698,578	386,746	311,832	81%	584,349	114,229	20%
Due from related parties	104,855	212,395	(107,540)	(51%)	93,126	11,729	13%
Inventory - Net	1,501,758	1,078,154	423,604	39%	1,442,056	59,702	4%
Prepaid expenses	1,130,145	1,143,582	(13,437)	(1%)	1,084,498	45,647	4%
Total current assets	9,810,527	8,162,017	1,648,510	20%	9,987,254	(176,727)	(2%)
Non-current assets							
Trademarks	6,376,188	3,726,057	2,650,131	71%	6,110,114	266,074	4%
Investments in associated company	17,375	13,925	3,450	25%	17,681	(306)	(2%)
Building, properties and equipment – Net	432,344	395,867	36,477	9%	408,383	23,961	6%
Deferred income tax	46,429	23,868	22,561	95%	37,641	8,788	23%
Other assets - Net	783,027	806,147	(23,120)	(3%)	791,796	(8,769)	(1%)
Total non-current assets	7,655,363	4,965,864	2,689,499	54%	7,365,615	289,748	4%
Total assets	17,465,890	13,127,881	4,338,009	33%	17,352,869	113,021	1%
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Short term loans with financial institutions	231,955	-	231,955	100%	722,526	(490,571)	(68%)
Current portion of long term loans w/ financial institutions	57,565	1,225,425	(1,167,860)	(95%)	82,499	(24,934)	(30%)
Trade accounts payable	1,390,111	1,038,471	351,640	34%	1,644,125	(254,014)	(15%)
Due to related parties	-	8,750	(8,750)	(100%)	-	-	-
Other current liabilities	662,381	865,195	(202,814)	(23%)	664,144	(1,763)	(0%)
Income tax payable	89,378	53,077	36,301	68%	30,881	58,497	189%
Statutory employee profit sharing	12,024	4,920	7,104	144%	9,911	2,113	21%
Total current liabilities	2,443,414	3,195,838	(752,424)	(24%)	3,154,086	(710,672)	(23%)
Non-current liabilities							
Long-term debt securities	3,983,189	-	3,983,189	100%	3,982,107	1,082	0%
Long-term loans with financial institutions	1,344,697	2,520,088	(1,175,391)	(47%)	668,745	675,952	101%
Other long term liabilities	72,617	60,562	12,055	20%	50,181	22,436	45%
Deferred income tax	613,807	230,389	383,418	166%	660,416	(46,609)	(7%)
Employee retirement obligations	2,084	1,814	270	15%	1,889	195	10%
Total liabilities	8,459,808	6,008,691	2,451,117	41%	8,517,424	(57,616)	(1%)
Stockholders' equity							
Capital stock	1,914,306	1,921,660	(7,354)	(0%)	1,914,306	-	-
Retained earnings	6,819,006	5,156,955	1,662,051	32%	5,066,538	1,752,468	35%
Net income	153,396	131,254	22,142	17%	1,752,468	(1,599,072)	(91%)
Cumulative translation effects of foreing subsidiaries	4,166	(41,652)	45,818	(110%)	12,835	(8,669)	(68%)
Share buy back fund	(74,343)	(158,012)	83,669	(53%)	(74,621)	278	(0%)
Net premium in placement of repurchased shares	39,749	39,749	-	-	39,749	-	-
Minority interest	149,802	69,236	80,566	116%	124,170	25,632	21%
Total stockholders' equity	9,006,082	7,119,190	1,886,892	27%	8,835,445	170,637	2%
Total equity and liabilities	17,465,890	13,127,881	4,338,009	33%	17,352,869	113,021	1%



Genomma Lab
Internacional

First Quarter Report 2014

Cash Flow

Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

For the three months ended on March 31, 2014

(In thousands of current Mexican pesos)

	MARCH 2014
Cash and cash equivalents beginning of period	1,767,145
Consolidated Net Income	179,124
Charges to results with no cash flow:	
Depreciation and amortization	18,847
Income tax	88,209
Accrued interest and others	84,685
	370,865
Changes in Working Capital:	
Clients - Net	348,545
Inventories	(59,702)
Suppliers	(253,978)
Other current assets	(171,591)
Payed income tax	(84,389)
Other current liabilities	40,421
	(180,694)
Net cash generated (used) in operating activities	190,171
Investing activities:	
Investment in fixed assets	(37,911)
Sales of equipment	164
Brand acquisitions and others	(275,974)
Others assets acquisitions	(5,167)
	(318,888)
Financing activities:	
Payments of borrowings with financial institutions	(527,940)
Loans with financial and securities institutions	703,346
Interest paid	(79,061)
Stock repurchase	(586)
Minority interest	(96)
	95,663
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects efectivo	(33,054)
Foreign exchange and inflationary effects from international operations	(26,450)
Accumulated cash flow at the end of the period	1,707,641
Less - restricted fund	9,899
Cash and cash equivalents at end of period balance for operation	1,697,742