Genomma Lab Delivers Strong Top Line Growth of 50.7% in Net Sales and a 36.5% growth inEBITDA[1] in 2Q 2009

## GENOMMA LAB INTERNATIONAL ANNOUNCES SECOND QUARTER 2009 RESULTS

Mexico City, Mexico – July 23, 2009

*Genomma Lab International, S.A.B. de C.V.* (BMV: LAB) ("Genomma Lab" or "the Company"), announced today its results for the quarter ended June 30, 2009. All figures included herein were prepared in accordance with Mexican GAAP; figures are stated in nominal Mexican pesos. Also, the following consolidated figures show the Company's Spanish operations reclassified as discontinued operations according to Mexican GAAP.

## 2Q09 Highlights (vs. 2Q08)

- Net Sales reached Ps. 985.5 million, an increase of 50.7%.
- Gross Profit was Ps. 724.8 million, an increase of 46.1%.
- EBITDA[1] reached Ps. 256.9 million, an increase of 36.5%.
- Consolidated Net Income of Ps. 122.9 million, an increase of 3.3%.
- Earnings per Share[2] increased 16.8% to Ps. 1.03.
- International Net Sales rose to Ps. 130.1 million, an increase of 220.9%.
- During the second quarter, Genomma Lab successfully launched three products under three existing brands (Base Brands[3] and Prior Year Launches[4]) as part of the line extension strategy.
- The Company also launched, during the second quarter, six products under six New Brands[5] as part of its new product launch plan.
- As of June 30, 2009 the Company had a net cash position of Ps. 1,214.4 million.
- During the second quarter of 2009, the Company acquired the brand of lotions Flor de Naranja Sanborns[MR], the brand of creams Teatrical, the brand of hair coloring Henna Egipcia, and a 99 year license for the use of Sanborns[MR] brands for the acquired brands.
- Additionally, during the second quarter, the Company acquired the Jockey Club brand of men's personal care products. All of these brands are well-recognized brands in

1 EBITDA is calculated by adding pre-operative expenses, depreciation and amortization to the operating income.
2 Earnings per share are for the last 12 months and were calculated using the weighted average number of shares outstanding for the period.
3 As defined later in the document.
4 As defined later in the document.
5 As defined later in the document.

their respective markets and have been very popular among Mexican consumers for several decades.

## Comments from the Chairman and CEO

Mr. Rodrigo Herrera, Chairman of the Board and Chief Executive Officer, stated: “We are pleased to report our second quarter 2009 results, which showed a sound growth. We are currently experiencing a challenging economic environment, which has made difficult the Global Economy’s performance; therefore, we will continue to proceed with caution. We were, once again, pleasantly surprised by the net sales level registered during this quarter; which proves that both the Company’s business model, as well as its advertising strategies, continue to be successful. We expect to continue in this manner so as to continue gaining market share, increasing net sales and profitability, and thus, creating value for our shareholders.

During the second quarter of 2009, we acquired several brands, some of them are expected to strengthen our presence in certain categories, whereas others will allow us to enter new categories. We continue analyzing new initiatives, and remain committed to the growth-by-acquisitions strategy established in our Initial Public Offering. We believe that adverse economic conditions can contribute to finding attractive expansion opportunities for the Company.”

## Consolidated Results of Operations for the Second Quarter of 2009

The following table shows our condensed and consolidated results of operations in millions of pesos (except share and per-share data), the margin for each concept as a percentage of Net Sales, and the variation for the quarter period ended June 30, 2009, compared to the same period in 2008:

For the quarter period ended June 30, 2009 and 2008
(in millions of current Mexican pesos)

| | 2nd Quarter | | | Jan - Jun | | |
|---|---|---|---|---|---|---|
| | 2009 | 2008 | %Var | 2009 | 2008 | %Var |
| Net Sales | 985.5 | 653.9 | 50.7 | 1,634.6 | 1,168.5 | 39.9 |
| Gross Profit | 724.8 | 496.2 | 46.1 | 1,202.1 | 883.5 | 36.1 |
| Gross Margin | 73.5% | 75.9% | (2.3) | 73.5% | 75.6% | (2.1) |
| EBITDA[1] | 256.9 | 188.2 | 36.5 | 349.6 | 272.3 | 28.4 |
| EBITDA Margin[1] | 26.1% | 28.8% | (2.7) | 21.4% | 23.3% | (1.9) |
| Operating Income | 244.6 | 184.5 | 32.6 | 329.0 | 264.9 | 24.2 |
| Consolidated Net Income | 122.9 | 118.9 | 3.3 | 197.8 | 169.4 | 16.8 |
| Consolidated Net Income Margin | 12.5% | 18.2% | (5.7) | 12.1% | 14.5% | (2.4) |
| Weighted average number of shares outstanding | 527,242,625 | 436,074,957 | 20.9 | 527,983,264 | 428,886,478 | 23.1 |
| EPS (12 months)[2] | 1.03 | 0.88 | 16.8 | 1.03 | 0.89 | 14.8 |

[1] EBITDA is calculated by adding pre-operative expenses, 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 June 30, 2009 totaled 526,732,713.

*Net Sales* rose 50.7% to Ps. 985.5 million for the second quarter of 2009 from Ps. 653.9 million for the second quarter of 2008. This increase resulted in Mexico from: i) an increase of 26.3% (Ps. 153.7 million) in **Base Brands**, including line extensions of these brands, reaching Ps. 737.6 million; ii) an increase of 134.7% (Ps. 39.6 million) in our **Prior Year Launches**, including recent extensions of such brands launched in 2008 that reached Ps. 69.1 million; iii) Ps. 48.7 million in **New Brands** during the second quarter of 2009 due to the launch of eight new products under eight new brands during the first half of 2009; and iv) an increase of 220.9% (Ps. 89.6 million) in **International Operations** reaching Ps. 130.1 million.

Genomma classifies Net Sales by brands in the following manner:

1) **Base Brands** were launched at least two years prior to the last fiscal year (2007, 2006, 2005, etc).
2) **Prior Year Launches** were brands launched during the prior fiscal year (2008),
3) **New Brands** were launched in the fiscal year just ended (2009), and
4) **International Operations** refers to Net Sales from our international operations.

The following table shows Net Sales for the period detailed by brand:
(In millions of pesos)

| BRAND | NET SALES 2Q09 | % OF TOTAL NET SALES | NET SALES 2Q08 | VAR |
|---|---|---|---|---|
| ASEPXIA | 93.0 | 9.4% | 61.8 | 50.5% |
| METABOL TONICS | 66.8 | 6.8% | 23.4 | 185.4% |
| CICATRICURE | 66.5 | 6.7% | 68.5 | -2.9% |
| LINEA M | 66.3 | 6.7% | 72.9 | -9.1% |
| BENGUE | 49.5 | 5.0% | 18.8 | 163.2% |
| NIKZON | 49.0 | 5.0% | 45.0 | 8.9% |
| GOICOECHEA | 45.3 | 4.6% | 46.9 | -3.4% |
| DALAY | 43.0 | 4.4% | 17.8 | 141.9% |
| MA EVANS | 39.7 | 4.0% | 0.0 | NA |
| SILKA MEDIC | 39.5 | 4.0% | 38.9 | 1.4% |
| GENOPRAZOL | 34.6 | 3.5% | 29.3 | 17.9% |
| X RAY | 23.2 | 2.3% | 31.4 | -26.2% |
| SHOT B | 22.8 | 2.3% | 7.3 | 212.0% |
| QG5 | 22.1 | 2.2% | 0.0 | NA |
| SUEROX | 19.8 | 2.0% | 0.0 | NA |
| Otras Brands (<2%) | 174.4 | 17.7% | 151.4 | 15.2% |
| Total Mexico | 855.4 | 86.8% | 613.4 | 39.5% |
| International | 130.1 | 13.2% | 40.6 | 220.9% |
| **TOTAL** | **985.5** | **100%** | **653.9** | **50.7%** |

During the quarter, the Company increased its prices approximately 5%. However, the effect of this increase has not been reflected in the second quarter due to discounts granted to customers to offset the effect of this increase for the period. The Company expects to see the effects of the increase in prices reflected during the second half of the year.

The *Gross Profit* increased 46.1% to reach Ps. 724.8 million in the second quarter of 2009 compared with Ps. 496.2 million in the second quarter of 2008. Gross margin decreased 2.4 percentage points as a percentage of net sales, reaching 73.5% in the second quarter of 2009 compared to 75.9% in the same period of 2008. This decrease in margin was mainly due to: i) an increase in cost as a percentage of sales from **Prior Year Launches**; ii) a change in the mix of product sales by increasing the proportion of products with higher cost as a percentage of sales; iii) an increase in precautionary reserves for product returns and obsolete inventories that could be generated by commercial arrangements with clients, and iv) donations of product made by the Company during the second quarter which directly impacted the cost of sales.

*Selling, General and Administrative Expenses,* as a percentage of Net Sales, increased 1 percentage point to 48.7% for the second quarter of 2009 from 47.7% for the second quarter of 2008. This increase was primarily due to: i) higher administrative expenses resulting from pre-operative expenses for recent transactions and international operations; ii) an increase in international commercial expenses due to the reclassification of pre-operative expenses of our

Colombian operations, which had previously been registered under assets; and iii) an increase in distribution expenses as a percentage of Net Sales, due to a large increase in trading volume during the second quarter as well as an increase of the storage space in our distribution centers. These increases were offset by lower accounts receivable reserves resulting from a decrease in receivables during the second quarter of 2009.

*EBITDA* increased 36.5% to Ps. 256.9 million for the second quarter of 2009, compared to Ps. 188.2 million for the second quarter of 2008. EBITDA margin decreased 2.7 percentage points, as a percentage of Net Sales, to 26.1% for the second quarter of 2009 from 28.8% for the second quarter of 2008. The EBITDA margin decrease was primarily due to the aforementioned reasons; these being the increase in costs as well as in Selling, General and Administrative Expenses as a percentage of Net Sales. Additionally, during the second quarter of 2009, Genomma Lab made product donations with a value of Ps. 12.8 million, which affects our costs. These donations represented 1.3 percentage points of the net sales for the quarter.

## *EBITDA Reconciliation*

For the second quarter period ended June 30, 2009 and 2008
(In millions of current Mexican pesos)

| | 2nd Quarter | |
|---|---|---|
| | **2009** | **2008** |
| **Consolidated Net Income (loss)** | 122.9 | 118.9 |
| Discontinued Operations (income) loss | 0.6 | 2.9 |
| Income Tax Expense (benefit)) | 88.1 | 56.3 |
| Comprehensive financing (income) cost | 30.3 | 8.7 |
| Other expenses (income) net | 2.7 | 2.3 |
| **Operation Income** | 244.6 | 184.5 |
| + Depreciation and amortization | 6.8 | 3.7 |
| + Pre-operative Expenses | 5.5 | - |
| **EBITDA** | 256.9 | 188.2 |
| EBITDA Margin | 26.1% | 28.8% |

*Operating Income* increased 32.6% to Ps. 244.6 million for the second quarter of 2009 compared to Ps. 184.5 million for the second quarter of 2008. Operating margin decreased 3.4 percentage points as a percentage of Net Sales to 24.8% in the second quarter of 2009, compared to 28.2% for same period in 2008. This decline was due to the abovementioned factors as well as an increase in depreciation as a percentage of Net Sales resulting from the acquisition of fixed assets and investment in leased property improvements during the second half of 2008 and the first half of 2009.

*Comprehensive Financing Cost* increased Ps. 21.6 million to Ps. 30.3 million for the second quarter of 2009, compared to the Ps. 8.7 million financing cost reported for the second quarter of 2008. The increase was primarily a result of a foreign exchange loss of Ps. 35.0 million during the second quarter of 2009 compared to a foreign exchange gain of Ps. 0.6 million during the same period of 2008, due to the depreciation of the U.S. dollar versus the Mexican peso during the period (since March 31, 2009, the Company maintains a position of US$ 25.2 million). However, this line item, as well as depreciation and amortization had no effect on the cash flow generation of the Company. This increase in financing costs was partially offset by: i) a decrease in financial expenses for Ps. 5.5 million from a cost of Ps. 9.2 million during the second quarter of 2008 to Ps. 3.6 million during the same quarter of 2009; and ii) an increase in financial income of Ps. 5.0 million, from an income of Ps. 2.5 million during the second quarter of 2008 to Ps. 7.5 million during the same period of 2009, due to a higher cash balance during 2009.

*Consolidated Net Income* increased 3.3% to Ps. 122.9 million for the second quarter of 2009 compared to Ps. 118.9 million for the second quarter of 2008.

## Balance Sheet

As of June 30, 2009, March 31, 2009 and June 30, 2008
(In millions of current Mexican pesos for the amounts of June 2009 and March 2009,

| | As of June 30, 2009 | As of June 30, 2008 | Var Jun 09 vs Jun 08 | As of March 31, 2009 | Var Jun 09 vs Mar 09 |
|---|---|---|---|---|---|
| **Balance Sheet Information:** | | | | | |
| Cash and equivalents | 1,214.4 | 1,198.8 | 15.6 | 1,078.6 | 135.8 |
| Trade receivables | 562.1 | 702.1 | (140.1) | 759.0 | (197.0) |
| Inventories | 516.1 | 267.2 | 248.9 | 455.6 | 60.6 |
| Other current assets | 321.0 | 148.4 | 172.5 | 311.1 | 9.9 |
| Total Assets | 3,294.2 | 2,503.6 | 790.6 | 2,881.3 | 412.9 |
| Suppliers | 411.2 | 240.6 | 170.6 | 307.9 | 103.3 |
| Other current liabilities | 232.3 | 341.4 | (109.1) | 173.7 | 58.7 |
| Loans with financial institutions | - | - | - | - | - |
| Total Liabilities | 819.0 | 615.9 | 203.1 | 497.9 | 321.1 |
| Stockholders Equity | 2,475.2 | 1,887.7 | 587.5 | 2,383.4 | 91.8 |
| Working Capital [(1)] | 1,970.1 | 1,734.6 | 235.4 | 2,122.7 | (152.6) |
| Working Capital less cash | 755.7 | 535.8 | 219.9 | 1,044.1 | (288.4) |
| Trade Recevables days | 65 | 113 | (48) | 99 | (33) |
| Inventories days | 229 | 167 | 63 | 232 | (3) |
| Suppliers days | 183 | 150 | 33 | 157 | 26 |

[(1)] Working capital consists of current assets minus current liabilities.

*Cash and Equivalents* increased 1.3% (Ps. 15.6 million) to Ps. 1,214.4 million on June 30 2009, compared to Ps. 1,198.8 million on June 30, 2008 (note that Genomma's Initial Public Offering took place on June 18, 2008). This increase was mainly due to the generation of operating cash flow, which was partially offset by: i) the acquisition of 6 brands during the last 12 months for a total of Ps. 431.6 million, of which Ps. 281.6 million has been paid; ii) the transfer of shares to the stock repurchase program in the amount of Ps. 40.0 million; and iii) funding for the Employee Compensation Program in the amount of Ps. 95.0 million.

Even with the increase in Net Sales, *Trade Receivables* decreased 19.9% (Ps. 140.1 million) to Ps. 562.1 million on June 30, 2009, compared to Ps. 702.1 million on June 30, 2008. Trade Receivables Days decreased 48 days, from 113 days on June 30, 2008 to 65 days on June 30, 2009. During the second quarter of 2009, a commercial plan was implemented with our main clients in which commercial discounts were given to customers as an incentive to reach their sales targets and to make their payments in shorter timeframes, which resulted in an increase in our collection and a decrease in Trade Receivables Days. It is necessary to point out that the normal level of Trade

Receivable Days fluctuates between 100 and 120 days; Genomma expects a return to these levels during the third quarter of 2009.

*Inventories* increased 93.1% (Ps. 248.9 million) to Ps. 516.1 million on June 30, 2009 from Ps. 267.2 million on June 30, 2008. Days of Inventories increased 62 days, to 229 days on June 30, 2009 from 167 days on June 30, 2008. This increase was primarily due to: i) an increase in the target number of inventory days of the Company with the purpose of improving customer service and carrying out the delivery of ordered products; ii) an increase in inventory as a result of the purchase of new products which will be launched in the third quarter of 2009; iii) the creation of inventories for recent international operations; and iv) additional precautionary inventory purchases due to the high demand that our products have continued to demonstrate despite the current economic situation.

Payments to *Suppliers* increased 70.9% (Ps. 170.6 million) to Ps. 411.2 million on June 30, 2009, from Ps. 240.6 million on June 30, 2008. Days of Suppliers increased 33 days, to 183 days on June 30, 2009 from 150 days on June 30, 2008. This increase was mainly due to: i) a temporary extension of terms to suppliers as an additional negotiation to the integrated commercial plan; ii) a decrease in anticipated payments to suppliers due to the negotiation of attractive credit terms, including new launches or products; and iii) an inventory increase strategy to support the growing future demand.

*Other Current Assets* increased 116.2% (Ps. 172.5 million) to Ps. 321.0 million on June 30, 2009 from Ps. 148.4 million on June 30, 2008. This change was attributable to an increase in recoverable taxes as well as pre-paid advertising. This increase was partially offset by the decline in advanced income tax payments.

*Other Current Liabilities* decreased 32.0% (Ps. 109.1 million), reaching Ps. 232.3 million as of June 30, 2009 vs Ps. 341.4 million as of June 30, 2008. This change is mainly due to a decrease in accumulated expenses payable and a decrease in accumulated revenues.

During the second quarter of 2009, cash flow from operations and cash on hand was sufficient to meet Genomma’s liquidity requirements.

## Operations Summary

### *Net Sales for the Second Quarter*

For the second quarter of 2009, Net Sales of the OTC pharmaceutical products increased 31.4%[6] compared to the second quarter of 2008. Net domestic sales of OTC products in the second quarter of 2009 represented 64.5% of total domestic net sales, compared to 64.2% during the same period of 2008. For the first half of 2009, the Company launched ten new OTC products.

Net sales of our personal care products increased 29.9%[7] in the second quarter of 2009 compared to the second quarter of 2008. Net sales in the personal care segment for the second quarter of 2009 represented 35.5% to total domestic net sales, compared to 35.8% for the same period of 2008. For the first half of 2009, the Company launched eight new personal care products.

Net sales of our international operations increased 220.9% to Ps. 130.1 million for the second quarter of 2009 compared to Ps. 40.6 million for the same period in 2008. This increase was mainly driven by sales from the Colombian operations during the second quarter of 2009; these sales did not exist in the comparable period of 2008.

### *New Products Launches and Line Extensions*

During the first half of 2009, Genomma launched ten line extensions of Base Brands and eight new products under eight New Brands. Following are some of the new brands which, to date, have proven successful by exceeding our sales expectations and acceptance at the point of sale:

*QG5* a new brand launched in the first quarter of 2009 under which an OTC drug that has a revolutionary formula made of guava leaves, which has proven effective in the relief of colitis.

*Metabol Tonics Sen* a line extension of the brand Metabolism Tonics, which consist in a new formula with laxatives to help prevent constipation caused by changes in eating habits due to weight-loss diets.

*Tio Nacho,* a re-launch of a brand in existence for many years which was acquired during 2008. The formula has been improved with natural extracts. Its image was significantly updated to change consumer perception, thereby positioning it as an anti-aging, natural shampoo.

[6] Only contemplates sales growth of OTC products in Mexico.
[7] Only contemplates sales growth of personal care products in Mexico.

## Other Events

- During the second quarter of 2009, the Company acquired the brand of lotions Flor de Naranja Sanborns[MR], the brand of creams Teatrical, the brand of hair coloring Henna Egipcia , and a 99 year license for the use of Sanborns[MRi] brand for the acquired brands.
- With these acquisitions, Genomma Lab strengthened its presence in the facial and body lotion, and hair products markets as well as broadened its platform in the lotion and perfume categories. The Net Sales of the acquired products were of Ps. 110.3 million during the last twelve months up to June 30, 2009. Teatrical is a brand of great strength and tradition in Mexico. Registered for sale since 1928, its sales of facial and body lotions have remained in the mind of many generations of consumers for over 80 years. On another note, Flor de Naranja SanbornsMR has a history of nearly 82 years and is also one of the most recognized brands in its category. Finally, Henna Egipcia is a recognized but discreet brand specialized in hair coloring, with over 45 years in the market. Genomma Lab paid for the transaction with its own resources at a multiple of 2.7x sales for the last twelve months, for a total of Ps. 300 million, of which approximately 50% will be paid through ten yearly payments.

- Also during the second quarter of 2009, the Company acquired the men's personal care brand Jockey Club. With this acquisition Genomma Lab strengthens its presence in the personal care industry focused on men. This brand reported Net Sales of Ps. 32.6 million in 2008. Since 1949, its men's personal care product line enjoys great brand recognition among Mexican consumers. Genomma Lab's management believes that the synergies created by incorporating the Jockey Club brand into its business platform constitute a high potential of increasing sales of these products in the short term and will facilitate their development, repositioning and marketing. Genomma Lab paid for this transaction with its own resources, at a multiple of 1.3x 2008 sales, for a total of Ps. 42.4 million.

- Management expects to revitalize the acquired brands and power their expansion through the application of Genomma Lab's business model.

## Company Description

*Genomma Lab Internacional, S.A.B. de C.V.* is one of the fastest growing over-the-counter pharmaceutical and personal care products companies in Mexico. 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. Through a combination of a successful new products development process, consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model, the Company had net sales of Ps. 2,629.4 million and EBITDA of Ps. 691.1 million in 2008.

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

## Income Statement

# Genomma Lab International S.A.B. de C.V. and subsidiaries

Consolidated statements of operations
For the three months ended June 30, 2009 and 2008.
(In thousands of Mexican pesos)

| | | 2009 | 2008 | % Var | | 2Q09 | 2Q08 | % Var |
|---|---|---|---|---|---|---|---|---|
| Net Sales | $ | 1,634,577 | 1,168,458 | 39.9% | $ | 985,485 | 653,907 | 50.7% |
| Costs and expenses | | | | | | | | |
| Cost of Sales | | 432,495 | 284,948 | 51.8% | | 260,671 | 157,699 | 65.3% |
| Selling, general and administrative expenses | | 873,042 | 618,658 | 41.1% | | 480,254 | 311,755 | 54.0% |
| Total costs and expenses | | 1,305,537 | 903,607 | 44.5% | | 740,924 | 469,454 | 57.8% |
| Income from operations | | 329,040 | 264,851 | 24.2% | | 244,561 | 184,453 | 32.6% |
| Other (expense) net | | (63) | 1,406 | -104.5% | | (2,665) | 2,305 | -215.6% |
| Comprehensive financing income (cost) | | | | | | | | |
| Interest (expense | | (5,083) | (15,284) | -66.7% | | (3,649) | (9,165) | -60.2% |
| Interest income | | 27,379 | 2,880 | 850.5% | | 7,499 | 2,476 | 202.8% |
| Exchange gain (loss) | | (38,605) | 1,177 | -3379.2% | | (35,026) | 577 | -6167.5% |
| Monetary position (loss) | | (2,639) | (1,387) | 0.0% | | (174) | (444) | 0.0% |
| Effects of Exchange changes of foreign operations | | 67 | (2,564) | 0.0% | | 1,086 | (2,107) | 0.0% |
| | | (18,881) | (15,177) | 24.4% | | (30,266) | (8,663) | 249.4% |
| Income before income taxes | | 310,096 | 251,080 | 23.5% | | 211,630 | 178,096 | 18.8% |
| Income tax expense (benefit) | | 111,194 | 74,789 | 48.7% | | 88,101 | 56,313 | 56.4% |
| Discontinued operations (loss) | | (1,061) | (6,913) | -84.7% | | (638) | (2,860) | -77.7% |
| Consolidated net income (loss) | $ | 197,841 | 169,378 | 16.8% | $ | 122,891 | 118,923 | 3.3% |
| Consolidated net income (loss) | $ | 197,841 | 169,378 | 16.8% | $ | 122,891 | 118,923 | 3.3% |
| Net loss (income of minority stockholders) | $ | (892) | 814 | 0.0% | $ | (223) | (34) | 0.0% |
| Net income of majority stockholders | $ | 196,949 | 170,193 | 15.7% | $ | 122,668 | 118,889 | 3.2% |

# Balance Sheet

## Genomma Lab International S.A.B de C.V. and subsidiaries

Consolidated balance sheets

2009 and 2008

(In thousands of pesos)

| | Jun-09 | Dec-08 | Jun-08 | V Jun 08 $ | V Jun 08 % | V Dec 08 $ | V Dec 08 % |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| **Current Assets** | | | | | | | |
| Cash and Equivalents | 1,214,400 | 1,291,048 | 1,198,832 | 15,568 | 1.3% | (76,648) | -5.9% |
| Share buy back fund | 15,993 | | - | 15,993 | 100.0% | 15,993 | 100.0% |
| Employee share buy back fund | 17,013 | 24,084 | - | 17,013 | 100.0% | (7,071) | -29.4% |
| Accounts Receivable Net | 749,535 | 755,108 | 793,655 | (44,120) | -5.6% | (5,573) | -0.7% |
| Inventories Net | 516,142 | 407,710 | 267,236 | 248,906 | 93.1% | 108,432 | 26.6% |
| Prepaid expenses and other current assets | 80,079 | 104,477 | 25,060 | 55,019 | 219.5% | (24,398) | -23.4% |
| Accounts receivable due to related parties | 20,441 | 11,887 | 31,849 | (11,408) | -35.8% | 8,554 | 72.0% |
| Discontinued operations | 22,360 | 22,917 | 31,942 | (9,583) | -30.0% | (558) | -2.4% |
| **Total Current Assets:** | **2,635,961** | **2,617,231** | **2,348,574** | 287,387 | 12.2% | **18,730** | 0.7% |
| **Equipment Net** | **138,613** | **112,453** | **60,940** | 77,673 | 127.5% | **26,160** | 23.3% |
| Trademarks | 435,853 | 80,626 | 69,422 | 366,432 | 527.8% | 355,228 | 440.6% |
| Deferred income tax | 34,364 | 1,108 | 14,559 | 19,805 | 136.0% | 33,256 | 3000.5% |
| Other assets Net | 49,021 | 28,085 | 6,689 | 42,331 | 632.8% | 20,936 | 74.5% |
| Discontinued operations | 405 | 425 | 3,429 | (3,025) | -88.2% | (20) | -4.7% |
| | **519,642** | **110,244** | **94,099** | 425,543 | 452.2% | **409,399** | 371.4% |
| **Total Assets:** | **3,294,216** | **2,839,928** | **2,503,614** | 790,603 | 31.6% | **454,288** | 16.0% |
| **Current Liabilities** | | | | | | | |
| Trade accounts payable | 411,192 | 377,180 | 240,555 | 170,638 | 70.9% | 34,013 | 9.0% |
| Due to related parties | 412 | 119 | 339 | 74 | 21.7% | 293 | 246.0% |
| Accrued expense and taxes other than income taxes | 139,392 | 99,352 | 184,773 | (45,381) | -24.6% | 40,040 | 40.3% |
| Deferred income | - | - | 41,854 | (41,854) | -100.0% | - | 0.0% |
| Income tax payable | 92,537 | 34,665 | 114,472 | (21,935) | -19.2% | 57,871 | 166.9% |
| Statutory employee profit sharing | 3,578 | 1,838 | 349 | 3,229 | 924.4% | 1,740 | 94.6% |
| Discontinued operations | 7,217 | 9,871 | 25,011 | (17,793) | -71.1% | (2,654) | -26.9% |
| | - | | - | | | | |
| Employee retirement obligations | 6,522 | 4,765 | 8,512 | (1,990) | -23.4% | 1,757 | 36.9% |
| Long term loans for brands | 158,156 | | | 158,156 | 100.0% | 158,156 | 100.0% |
| **Total Liabilities:** | **819,007** | **527,791** | **615,864** | 203,143 | 33.0% | **291,216** | 55.2% |
| Capital stock | 274,924 | 274,924 | 1,758,271 | (1,483,347) | -84.4% | 0 | 0.0% |
| Additional paid in capital | 1,553,938 | 1,553,938 | - | 1,553,938 | 100.0% | 0 | 0.0% |
| Retained earnings | 519,636 | (41,157) | (71,602) | 591,239 | -825.7% | 560,794 | -1362.6% |
| Net income | 196,949 | 519,637 | 169,378 | 27,571 | 16.3% | (322,688) | -62.1% |
| Cumulative translation effects of foreign subsidiaries | 2,018 | 4,020 | 28,113 | (26,095) | -92.8% | (2,003) | -49.8% |
| Share buy back fund | (74,172) | | - | (74,172) | -100.0% | (74,172) | -100.0% |
| Minority interest | 1,917 | 776 | 3,590 | (1,673) | -46.6% | 1,141 | 147.0% |
| **Total Stockholders' Equity:** | **2,475,209** | **2,312,137** | **1,887,749** | **587,460** | 31.1% | **163,072** | **6.6%** |

# Cash Flow Statement

## Genomma Lab International S.A.B. de C.V. and subsidiaries

**Consolidated cash flow statement**

For the three months ended March 31st, 2009

| | 2Q 09 | 2009 |
|---|---|---|
| Operating activities: | | |
| Income for continued operations | 211,630 | 310,096 |
| Items that did not require resources: | | |
| Depreciation and amortization | 6,825 | 15,027 |
| Not realized foreign exchange gains or losses | 883 | 289 |
| Gain on fixed assets sale | 7 | (19) |
| Impairment assets | | |
| Income tax | 45,197 | 46,366 |
| Assignment of rights of accounts receivable in dividends in kind | | |
| Employee termination obligations, net | 878 | 1,757 |
| Employee profit sharing | (345) | 1,740 |
| Other financing activites | 4,210 | 4,226 |
| | 269,285 | 379,482 |
| ( Increase) Decrease in accounts receivable | 37,007 | (81,557) |
| ( Increase) Decrease in inventories | (60,810) | (108,724) |
| Increase ( Decrease ) in accounts payable | 84,690 | (9,958) |
| Increase ( Decrease ) in payable tax | - | 23,430 |
| Other, Net | (49,139) | 24,398 |
| Shared based payments | 9,111 | 18,966 |
| Discontinued operations | 832 | (3,157) |
| Net cash flow generated (used) in operating activities | 290,976 | 242,880 |
| Net Cash flow generated (used) in operating activities after discontined operations | 290,976 | 242,880 |
| Investing activities: | | |
| Investments (acquisition) | (38,082) | (40,569) |
| Other capital expenditures (acquisition) | (73,360) | (212,487) |
| Discontinued operations | 10 | 20 |
| Net cash flow generated (used) in investing activities | (111,432) | (253,036) |
| Net cash flow from Investing | 179,545 | (10,156) |
| Financing activities: | | |
| Equity increase / Paid in capital | | |
| Stock repurchases | (40,421) | (51,763) |
| Borrowings with financial institutions | | |
| Loans payments to financial institutions | | |
| Payable interest from prior periods | (4,210) | (4,226) |
| Gain on stock repurchases | (1) | (221) |
| Minority interest | 763 | 249 |
| Net cash flow provided from financing activities | **(43,869)** | **(55,961)** |
| Net increase in cash and equivalentes before foreign exchange adjustments coming from International operations and inflationary effects. | 135,675 | (66,117) |
| Foreign exchange and inflationary effects from International operations | 39 | (1,609) |
| Net increase (decrease) in cash | 135,714 | (67,726) |
| Cash and equivalents beginning of period | 1,111,692 | 1,315,132 |
| Cash and equivalente end period balance. | **1,247,406** | **1,247,406** |
| less- Employees shares found | 15,993 | 15,993 |
| less- purchasing shares found | 17,013 | 17,013 |
| Cash and equivalente end period balance for operation | 1,214,400 | 1,214,400 |