Quarterly Report 2Q11

Genomma Lab achieves a 27.7% Top Line Growth and an EBITDA Increase of 19.5% in 2Q11

GENOMMA LAB INTERNACIONAL ANNOUNCES ITS SECOND QUARTER 2011 RESULTS

Mexico City, Mexico – July 27th, 2011

Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB) ("Genomma Lab" or "the Company"), announced today its results for the quarter ended June 30, 2011. All figures included herein were prepared in accordance with Mexican GAAP and are stated in nominal Mexican pesos.

2Q 2011 Highlights (vs. 2Q 2010)

- Net Sales for the quarter reached Ps. 1.72 billion, increasing 27.7%, while Net Sales for the first half of the year increased 30.0% to Ps. 3.20 billion.
- EBITDA[1] rose in the quarter 19.5% to Ps. 413.9 million, achieving a 24.1% margin. For the first half of the year EBITDA rose 27.6% to Ps. 647.5 million, reaching a 20.3% margin.
- Consolidated Net Income increased 19.1% to Ps. 272.5 million in the second quarter, and 26.4% during the first half of the year to Ps. 416.4 million. Earnings per Share[2] increased 30.0% to Ps. 1.09 during the second quarter.
- International Net Sales rose 55.3% to Ps. 439.5 million during the quarter, amounting to Ps. 833.3 million during the first half of the year, which represents a 39.5% growth.
- During the second quarter Genomma Lab successfully launched 22 products under 8 existing brands and 7 products under 3 New Brands[3].

[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.
[3] As defined below.

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Comments from the Chairman and CEO

Mr. Rodrigo Herrera, Chairman and Chief Executive Officer, stated: “We are announcing our second quarter of 2011 results, which are in line with our 2011 guidance. The recently acquired brands are starting to show positive results and we expect them to account for a larger part of our sales as we continue with our re-launching strategy during the rest of the year. We also expect our international operations to keep increasing their overall sales share, and to be one of the main drivers of the Company’s growth.

“Our International Sales continued to show strong signs of growth, mainly driven by launches of new products and higher penetration within the markets in which we participate. We are especially optimistic about Brazil, which continues to deliver strong growth, and the US, where we see a very important opportunity since sales are showing increasingly positive results and we expect them to continue improving in the coming months. The sales in our international operations were lead by Brazil, Colombia, and Argentina. These results are in line to achieve our 5-year goal to become the number one OTC pharmaceutical company in Latin America.

“Additionally, during the second quarter we made a reconfiguration of our *Primer Nivel Por Tu Salud* strategy, which consists of more efficient and controlled ways to get to the points of sale, creating a more specialized and efficient distribution force, and a pricing strategy that will lead us to increase our sales in this segment, as we have already done this second quarter.

“We remain optimistic about the second half of the year since we will be re-launching our acquired brands as well as line extensions under our existing brands, which will translate in sustained growth for the Company.”

Consolidated Results of Operations for the Second Quarter of 2011

The following table shows 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, as well as the variation in terms of percentage for the quarter ended June 30, 2011 are compared to the same period of 2010:

For the quarter and six month period ended June 30, 2011 and 2010
(In millions of current Mexican Pesos)

	2nd Quarter			January to June		
	2011	2010	%Var	2011	2010	%Var
Net Sales	1,716.9	1,344.4	27.7	3,195.0	2,456.8	30.0
Gross Profit	1,216.8	982.9	23.8	2,251.8	1,750.5	28.6
Gross Margin	70.9%	73.1%	(2.2)	70.5%	71.2%	(0.7)
EBITDA[1]	413.9	346.5	19.5	647.5	507.5	27.6
EBITDA Margin	24.1%	25.8%	(1.7)	20.3%	20.7%	(0.4)
Operating Income	392.4	325.1	20.7	606.2	471.4	28.6
Operating Income Margin	22.9%	24.2%	(1.3)	19.0%	19.2%	(0.2)
Net Income of Majority Shareholders	267.3	227.3	17.6	404.9	324.8	24.7
Net Income of Majority Shareholders Margin	15.6%	16.9%	(1.3)	12.7%	13.2%	(0.5)
Weighted average number of shares outstanding	1,052,749,426	1,052,675,580	0.0	1,052,749,426	1,052,735,503	0.0
EPS (12 months)[2]	1.09	0.84	30.0	1.09	0.84	30.0

[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 June 30, 2011 totaled 1,052,749,426.

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Net Sales rose 27.7% to Ps. 1.72 billion for the second quarter of 2011, from Ps. 1.34 billion for the second quarter of 2010. This increase resulted from the combination of the following: i) a 1.8% increase (Ps. 18.4 million) from **Base Brands** in Mexico, amounting to Ps. 1.04 billion, including line extensions on these brands; ii) a 210.9% increase (Ps. 80.3 million) due to the full year effect of **Prior Year Launches** in Mexico, including the recent line extensions on these brands launched during 2010, to reach Ps. 118.4 million; iii) Ps. 117.3 million in the second quarter of 2011 from **New Brands** in Mexico related to the launch of 7 new products under 3 New Brands; and, iv) a 55.3% increase (Ps. 156.5 million) coming from **International** operations, totaling Ps. 439.5 million.

On an accumulated basis, as of June 30th 2011, **Base Brands** in Mexico grew 11.2%; **Prior Year Launches** in Mexico grew 240.8%; sales from **New Brands** in Mexico amounted to Ps. 157.4 million; and **International** sales increased 39.5%.

Net Sales by brands are classified as follows:

1) **Base Brands** represent brands launched at least two years prior to the last fiscal year (2009, 2008, 2007 and earlier) in Mexico,
2) **Prior Year Launches**[4] are brands launched during the prior fiscal year (2010) in Mexico,
3) **New Brands** are brands launched during the current fiscal year (2011) in Mexico, and
4) **International** refers to Net Sales of brands from our international operations.

The following table shows Net Sales for the first half of 2011 and 2010, detailed by brand:

(In millions of current Mexican Pesos)

BRAND	NET SALES 1H11	*% OF TOTAL NET SALES*	NET SALES 1H10	*VAR %*
PRIMER NIVEL	180.7	*5.7%*	222.0	*-18.6%*
ASEPXIA	164.6	*5.2%*	167.3	*-1.6%*
GOICOECHEA	135.1	*4.2%*	99.5	*35.8%*
CICATRICURE	131.7	*4.1%*	68.2	*93.2%*
TIO NACHO	115.3	*3.6%*	45.5	*153.6%*
MA EVANS	112.6	*3.5%*	41.3	*172.9%*
VANART	111.3	*3.5%*	0.0	*NA*
LINEA M	96.2	*3.0%*	59.0	*63.0%*
UNESIA	86.2	*2.7%*	117.6	*-26.7%*
SHOT B	75.5	*2.4%*	80.4	*-6.1%*
NEXT	72.2	*2.3%*	73.0	*-1.1%*
SILKA MEDIC	71.6	*2.2%*	69.7	*2.7%*
NIKZON	70.2	*2.2%*	104.8	*-33.1%*
X RAY	68.7	*2.2%*	65.2	*5.5%*
SUEROX	67.5	*2.1%*	48.7	*38.6%*
GENOPRAZOL	62.4	*2.0%*	58.7	*6.4%*
SUBTOTAL	1,621.8	*50.8%*	1,320.9	*22.8%*
OTHER BRANDS (<2%)	739.8	*23.2%*	538.7	*37.3%*
TOTAL MEXICO	2,361.7	*73.9%*	1,859.6	*27.0%*
INTERNATIONAL	833.3	*26.1%*	597.2	*39.5%*
TOTAL	**3,195.0**	***100.0%***	**2,456.8**	***30.0%***

[4] Jockey Club, Agua de Colonia Sanborns and Teatrical were first classified as 2009 brands, and are being reclassified as 2010 since the main launch of the products under said brands was done in 2010 and the full year effect of their sales will be seen this year.

Gross Profit increased 23.8% to Ps. 1.22 billion for the second quarter of 2011, compared to Ps. 982.9 million during the second quarter of 2010. Gross Margin decreased 2.2 percentage points, as a percentage of Net Sales, to 70.9% in the second quarter of 2011, compared to 73.1% in the same period of 2010. This decrease in margin was primarily due to a substantially higher weight in overall sales during the second quarter of 2011 compared to the second quarter of 2010 from our *Primer Nivel por tu Salud* brand, which has a higher cost of goods sold as a percentage of Net Sales, as well as to a change in our product mix, as we had more PC products sales during this quarter, following our recent brand acquisitions, such products have also higher cost of goods sold as a percentage of Net Sales.

Selling, General and Administrative Expenses, as a percentage of Net Sales, decreased 0.9 percentage points to 48.0% for the second quarter of 2011, from 48.9% for the second quarter of 2010. This decrease was mainly driven by corporate leverage achieved in most of the SG&A expenses as a result of the increase in Net Sales during the second quarter of 2011, compared to the same period of 2010.

EBITDA increased 19.5% to Ps. 413.9 million in the second quarter of 2011, compared to Ps. 346.5 million in the second quarter of 2010. The EBITDA margin decreased 1.7 percentage points, as a percentage of Net Sales, to 24.1% for the second quarter of 2011, from 25.8% for the second quarter of 2010. The EBITDA margin decrease was primarily due to a 2.2 percentage point increase in the cost of goods sold as a percentage of Net Sales, which was partially offset by a 0.5 percentage points decrease in the Selling, General and Administrative Expenses (excluding Depreciation and Amortization) as a percentage of Net Sales.

EBITDA Reconciliation

For the quarters ended June 30, 2011 and 2010
(In millions of current Mexican pesos)

	Secod Quarter	
	2011	2010
Consolidated net income (loss)	272.5	228.8
Discontinued operations	-	-
Income tax expense (benefit)	117.5	98.9
Not consolidated subsidiaries (income)	(1.3)	6.7
Comprehensive financing (income) cost	3.2	(7.4)
Other expense (income), net	0.5	(1.8)
Operation income	**392.4**	**325.1**
Depreciation and amortization	21.5	21.4
EBITDA	**413.9**	**346.5**
EBITDA margin	*24.1%*	*25.8%*

Operating Income increased 20.7% to Ps. 392.4 million for the second quarter of 2011, compared to Ps. 325.1 million for the second quarter of 2010. Operating Margin decreased 1.3 percentage points, as a percentage of Net Sales, to 22.9%, compared to 24.2% for the same period in 2010. This increase is a result of the aforementioned reasons along with a decrease in Depreciation and Amortization, as a percentage of Net Sales.

Comprehensive Financing Result resulted in a Ps. 3.2 million loss for the second quarter of 2011, which represented a decrease of Ps. 10.6 million, compared to a Ps. 7.4 million gain in the second quarter of 2010. This decrease was primarily a result of: i) a Foreign Exchange Loss that reached Ps. 1.8 million during the second quarter of 2011, compared to Ps. 3.1 million gain during the same period of 2010; ii) an increase in Financial Expenses of Ps. 13.8 million to Ps. 16.0 million during the second quarter of 2011, compared to Ps. 2.2 million during the same period of 2010, this increase was mainly due to the recently acquired debt; iii) a lower Interest Income of Ps. 6.3 million during the second quarter of 2011, from Ps. 7.3 million in the same period of 2010; iv) no Monetary Position loss during the second quarter of 2011, compared to a Ps. 1.9 million loss in the same period of 2010; and v) a decrease of Ps. 7.2 million in the effects of the Exchange Rate from Foreign Operations to an Ps. 8.4 million loss in the second quarter of 2011, from a Ps. 1.2 million loss during the same period of 2010. As of June 30, 2011, the Company had a total cash position of Ps. 885.2 million.

Consolidated Net Income increased 19.1% to Ps. 272.5 million for the second quarter of 2011, compared to Ps. 228.8 million for the second quarter of 2010.

Balance Sheet

As of June 30, 2011, June 30, 2010 and December 31, 2010
(In millions of current Mexican pesos for the amounts of June 2011 and June 2010)

	June 30, 2011	June 30, 2010	Var Jun '11 vs Jun '10	% Var Jun '11 vs Jun'10	December 31, 2010	Var Jun'11 vs Dec '10	% Var Jun'11 vs Dec '10
Balance Sheet Information:							
Cash and Equivalents	**885.2**	736.6	148.6	20.2%	1,454.2	(569.0)	-39.1%
Clients	**2,803.9**	1,781.9	1,022.0	57.4%	1,937.4	866.4	44.7%
Inventories	**1,143.1**	743.5	399.7	53.8%	946.7	196.5	20.8%
Other current Assets	**350.1**	264.9	85.2	32.2%	345.8	4.3	1.2%
Total Assets	**7,338.8**	4,594.6	2,744.3	59.7%	5,830.9	1,507.9	25.9%
Suppliers	**823.8**	606.3	217.5	35.9%	969.1	(145.3)	-15.0%
Other current Liabilities	**758.6**	467.2	291.4	62.4%	578.6	180.0	31.1%
Long-term Loans with financial institutions	**850.0**	-	850.0		-	850.0	
Total Liabilities	**2,854.8**	1,206.7	1,648.1	136.6%	1,719.3	1,135.5	66.0%
Stockholders Equity	**4,484.0**	3,387.9	1,096.2	32.4%	4,111.6	372.4	9.1%
Working Capital [(1)]	**3,599.8**	2,453.2	1,146.6	46.7%	3,136.3	463.5	14.8%
Working Capital less cash	**2,714.6**	1,716.7	997.9	58.1%	1,682.1	1,032.5	61.4%
Accounts Receivable days	**144**	122	22	17.9%	111	33	29.5%
Inventories days	**201**	177	24	13.3%	188	13	6.8%
Suppliers days	**145**	144	1	0.1%	192	(47)	-24.8%
Cash Conversion Cycle	**200**	155	45	29.2%	107	93	87.3%

Cash and Equivalents increased 20.2% (Ps. 148.6 million) to Ps. 885.2 million as of June 30, 2011, compared to Ps. 736.6 million as of June 30, 2010. This increase was mainly due to higher cash generation from our operations during the last twelve months and was partially offset by working capital requirements to fund the Company's growth as well as investments in our new distribution center. In addition, there were payments of brand acquisitions during the last twelve months for Ps. 646.9 million, which were refinanced with recently acquired debt.

Clients amounted to Ps. 2.80 billion as of June 30, 2011, compared to Ps. 1.78 billion as of June 30, 2010. Days of Accounts Receivable increased 22 days to 144 days as of June 30, 2011, from 122 days as of June 30, 2010. This increase was due to extensions of terms given to clients derived from launches of several new initiatives and the re-launch of *Primer Nivel por tu Salud*, which involves opening new distribution channels.

Inventories amounted to Ps. 1.14 billion as of June 30, 2011, compared to Ps. 743.5 million as of June 30, 2010. Days of Inventories increased 24 days to 201 days as of June 30, 2011, compared to 177 days as of June 30, 2010. This change was mainly due to our strategy of building up inventories for our international operations in order to be prepared for the several launches planned for the second half of the year, as well as a result of a defensive strategy to prevent price increases from suppliers that could come from higher raw material prices.

Suppliers amounted to Ps. 823.8 million as of June 30, 2011, compared to Ps. 606.3 million as of June 30, 2010. Days of Suppliers increased 1 day to 145 as of June 30, 2011, from 144 days as of June 30, 2010. These results are in line with the second quarter of 2010.

Other Current Assets amounted to Ps. 350.1 million as of June 30, 2011, from Ps. 264.9 million as of June 30, 2010. This increase was mainly due to an increase in advertising paid in advance.

Other Current Liabilities amounted to Ps. 758.6 million as of June 30, 2011, from Ps. 467.2 million as of June 30, 2010. This increase was mainly due to liabilities derived from long-term payments of acquisitions, as well as financial expenses due to recently acquired debt.

Long-Term Loans with Financial Institutions amounted to Ps. 850.0 million as of June 30, 2011, from our medium and long-term lines of credit, representing a Debt to EBITDA (last twelve months) ratio of 0.46. The use of these resources was mainly to re-finance brand acquisitions.

Cash Conversion Cycle reached 200 days at the end of the second quarter of 2011, compared to 155 days at the end of the same period of 2010.

Operations Summary

Net Sales Segmentation for the Second Quarter

During the second quarter of 2011 the mix of our products changed. OTC pharmaceutical products represented 38.3% of our Mexican sales, personal care products represented 49.5% and generic pharmaceutical products represented 12.2% for this quarter.

Net Sales of our personal care products in Mexico increased 82.3%[5] in the second quarter of 2011, compared to the second quarter of 2010. During the second quarter of 2011 the Company launched 27 new personal care products.

Net Sales of our OTC pharmaceutical products in Mexico decreased 25.4%[6], compared to the second quarter of 2010. During the second quarter of 2011 the Company launched 2 new OTC products.

Net Sales of generic pharmaceutical products were Ps. 155.8[7] million for the second quarter of 2011, which represents a 165.9% increase when compared to the same period of 2010.

Net Sales from our international operations increased 55.3% to Ps. 439.5 million for the second quarter of 2011, compared to Ps. 283.0 million for the same period in 2010. This increase was mainly driven by sales from our operations in Brazil, Colombia, and Argentina.

(In millions of current Mexican Pesos)

	2nd Quarter					
	OTC	**PC**	**BG***	**Total 2Q11**	**Total 2Q10**	**%Var**
Mexico	489.8	631.7	155.8	1,277.4	1,061.4	20.3
International	48.1	391.4	-	439.5	283.0	55.3
TOTAL	**537.9**	**1,023.1**	**155.8**	**1,716.9**	**1,344.4**	**27.7**

*BG: Branded Generics

[5] Includes only personal care products in Mexico.
[6] Includes only OTC pharmaceutical products in Mexico.
[7] Includes only generic pharmaceutical products in Mexico.

New Products Launches and Line Extensions

During the first half of 2011, we launched 42 line extensions from our **Base Brands** and **Prior Year Launches** as well as 11 new products under 6 **New Brands**, among which are:

Ma Evans Intervención Capilar is a line extension of our *Ma Evans* brand, which was purchased in 2007 for its high top of mind recognition in the shampoo category. *Ma Evans Intervención Capilar* is an OTC pharmaceutical product that fights typical baldness (*androgenic alopecia*). It contains Minoxidil, the only tested active ingredient that makes hair grow back.

Incentiv Solución is the first OTC pharmaceutical product in Mexico that helps relieve symptoms of cystitis in only three days. It helps from the first dose, changing the urine´s PH.

Next Primaria Solución is a line extension of our *Next* brand, which is one of the leader brands in the anti-flu category. *Next Primaria Solución* is an anti-flu syrup for children in school age.

Other Corporate Events

- This past June 30th, we hosted our "Genomma Day" in New York City, during which we discussed the main achievements of the Company three years after the IPO, as well as our strategic vision for the next five years, in which we expect to achieve the following goals:
  - Become the #1 OTC pharmaceutical company in Latin America
  - Achieve a 75% share of international operations in total sales of the Company
  - Take in average 40% of our brands to each of the countries where we operate
  - Further expand our geographic footprint

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

As of June 30, 2011 and June 30, 2010
(In thousands of current Mexican pesos)

	Second Quarter			First Semester		
	2011	2010	% Var	2011	2010	% Var
Net sales	1,716,908	1,344,395	27.7%	3,194,980	2,456,822	30.0%
Costs and expenses:						
Cost of sales	500,136	361,455	38.4%	943,199	706,366	33.5%
Selling, general and administrative expenses	824,341	657,863	25.3%	1,645,556	1,279,095	28.6%
Total costs and expenses	1,324,477	1,019,318	29.9%	4,648,831	3,333,956	39.4%
Income from operations	392,431	325,076	20.7%	606,225	471,361	28.6%
Other (expense)- Net	(535)	1,825	NA	(1,203)	13,945	NA
Comprehensive financing income (cost)						
Interest (expense)	15,994	2,186	631.5%	19,573	5,705	243.1%
Interest income	6,261	7,281	-14.0%	13,154	16,512	-20.3%
Exchange gain (loss)	(1,816)	3,054	NA	(9,097)	(13,176)	NA
Monetary position (loss)	-	(1,888)	NA	-	(5,686)	NA
Effects of exchange rate changes on foreign operations	(8,376)	(1,183)	NA	(15,232)	(7,313)	NA
	(3,173)	7,444	NA	(284)	(742)	NA
Income of not consolidated subsidiaries	1,273	(6,670)	NA	356	(10,462)	NA
Income before income taxes	389,996	327,676	19.0%	605,094	474,101	27.6%
Income tax expense (benefit)	117,458	98,872	18.8%	188,657	144,629	30.4%
Discontinued operations (loss)	-	-	NA	-	-	NA
Consolidated net income (loss)	272,538	228,804	19.1%	416,437	329,473	26.4%
Consolidated net income (loss)	272,538	228,804	19.1%	416,437	329,473	26.4%
Net loss (income) of minority stockholders	(5,279)	(1,519)	NA	(11,501)	(4,688)	NA
Net income of majority stockholders	267,259	227,285	17.6%	404,936	324,785	24.7%
EBITDA	413,896	346,461	19.5%	647,457	507,520	27.6%
EBITDA margin	24.1%	25.8%		20.3%	20.7%	

Balance Sheet

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

As of June 30, 2011, June 30, 2010 and December 31, 2010
(In thousands of current Mexican Pesos)

	Jun' 11	Jun' 10	Var $	Var %	Dic' 10	Var $	Var %
Assets							
Current assets:							
Cash and equivalents	885,212	736,587	148,625	20.2%	1,454,168	(568,956)	-39.1%
Share buy back fund	280	8,083	(7,803)	-96.5%	269	12	4.3%
Accounts receivable-Net	2,943,802	1,972,439	971,362	49.2%	2,161,860	781,941	36.2%
Inventory - Net	1,143,149	743,452	399,698	53.8%	946,663	196,486	20.8%
Prepaid expenses and other current assets	173,602	27,113	146,489	540.3%	70,284	103,318	147.0%
Due from related parties	33,116	36,225	(3,109)	-8.6%	47,775	(14,658)	-30.7%
Discontinued operations	3,123	2,888	234	8.1%	3,024	99	3.3%
Total current assets	**5,182,284**	**3,526,788**	**1,655,496**	**46.9%**	**4,684,043**	**498,241**	**10.6%**
Equipment- net	**429,143**	**385,176**	**43,967**	**11.4%**	**424,996**	**4,147**	**1.0%**
Trademarks	1,575,051	525,318	1,049,733	199.8%	563,979	1,011,072	179.3%
Investments in subsidiaries	5,271	14,185	(8,914)	-62.8%	5,189	83	1.6%
Deferred income tax	13,218	728	12,490	1716.4%	7,024	6,193	88.2%
Other assets- Net	133,844	142,362	(8,518)	-6.0%	145,679	(11,835)	-8.1%
	1,727,384	**682,594**	**1,044,790**	**153.1%**	**721,871**	**1,005,513**	**139.3%**
Total Assets	**7,338,810**	**4,594,558**	**2,744,253**	**59.7%**	**5,830,909**	**1,507,901**	**25.9%**
Current Liabilities:							
Trade accounts payable	823,824	606,339	217,485	35.9%	969,099	(145,276)	-15.0%
Other current liabilities	585,819	349,492	236,327	67.6%	384,019	201,799	52.5%
Current portion of long term loan w/ financial institutions	-	-	-	NA	-	-	NA
Payable interests and commisions from bank loans	14,407	-	14,407	NA	-	14,407	NA
Payable tax	147,946	111,096	36,850	33.2%	178,799	(30,853)	-17.3%
Statutory employee profit sharing	6,247	2,710	3,537	130.5%	11,738	(5,490)	-46.8%
Discontinued operations	4,220	3,904	316	8.1%	4,087	133	3.3%
Deferred income tax	21,328	17,900	3,429	19.2%	67,223	(45,894)	-68.3%
Employee retirement obligations	12,541	9,463	3,078	32.5%	10,003	2,538	25.4%
Trade accounts payable LT	388,461	105,795	282,666	267.2%	94,295	294,166	312.0%
Long Term loans with financial institutions	850,000	-	850,000	NA	-	850,000	NA
Total Liabilities	**2,854,793**	**1,206,697**	**1,648,096**	**136.6%**	**1,719,263**	**1,135,530**	**66.0%**
Capital Stock	1,931,222	1,931,222	0	0.0%	1,931,222	-	0.0%
Additional paid in Capital	-	-	-	NA	-	-	NA
Retained Earnings	2,214,255	1,143,598	1,070,657	93.6%	1,141,685	1,072,569	93.9%
Excess/Insufficiency	-	-	-	NA	-	-	NA
Cumulative translation effects of foreign subsidiaries	(35,340)	2,976	(38,316)	NA	(6,636)	(28,705)	NA
Net Income	404,936	324,784	80,152	24.7%	1,072,569	(667,633)	-62.2%
Minority Interest	28,295	11,567	16,728	144.6%	27,090	1,204	4.4%
Net premium in stock placement	-	-	-	NA	-	-	NA
Share buyback fund	(59,351)	(26,288)	(33,063)	NA	(54,285)	(5,065)	NA
Total Stockholders Equity	**4,484,017**	**3,387,860**	**1,096,157**	**32.4%**	**4,111,647**	**372,371**	**9.1%**

Cash Flow

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

For the quarter and six month period ended June 30, 2011
(In thousands of current Mexican pesos)

	2Q 2011	Accumulated 2011
Operating activities:		
Consolidated Net Income	272,538	416,436
Items related to non investing activities:		
Depreciation and amortization	21,465	41,232
Unearned foreign exchange fluctuations	(506)	109
Gain on fixed assets sale	1,586	1,586
Income tax	123,226	188,655
Equity in loss of associated companies	(1,272)	(355)
Other financing activites	14,407	14,407
Cash flow from operations	**431,444**	**662,070**
(Increase) Decrease in accounts receivable	(727,598)	(901,443)
(Increase) Decrease in inventories	(84,469)	(196,486)
Increase (Decrease) in accounts payable	(554,842)	(20,529)
Increase (Decrease) in payable income tax	(101,687)	(202,084)
Other, Net	78,774	(90,008)
Stock-based compensations cost	(1,090)	8,598
Discontinued operations	8	34
Changes in Working Capital	**(1,390,904)**	**(1,401,918)**
Net cash generated (used) in operating activities	**(959,459)**	**(739,848)**
Investing activities:		
Divestments (investments) in fixed assets	(18,676)	(29,008)
Asset sales (other capital expenditures)	13,007	(597,428)
Discontinued operations	-	-
Net cash generated (used) in investing activities	**(5,670)**	**(626,436)**
Excess cash for (cash obtained from) financing activities	**(965,129)**	**(1,366,284)**
Financing activities:		
Borrowings with financial institutions	850,000	850,000
Equity increase / Paid in capital	-	-
Sale (Repurchase) of stocks	(9,682)	(13,663)
Paid borrowings with financial institutions	-	-
Minority interest	(8,918)	(10,294)
Net cash used in financing activities	**831,400**	**826,043**
Net decrease in cash and cash equivalents before foreign exchange adjustments coming from International operations and inflationary effects.	**(133,728)**	**(540,241)**
Foreign exchange and inflationary effects from International operations	**(4,839)**	**(28,704)**
Net increase (decrease) in cash	**(138,568)**	**(568,945)**
Cash and cash equivalents beginning of period	**1,024,060**	**1,454,437**
Cash and cash equivalents end period balance	**885,492**	**885,492**
less- shares buyback fund	-	-
less- Employees' shares fund	280	280
Cash and cash equivalents at end period balance for operation	**885,212**	**885,212**