

GENOMMA LAB INTERNACIONAL ANNOUNCES ITS THIRD QUARTER 2014 RESULTS

Mexico City, Mexico, October 23rd, 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 September 30, 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).

3Q 2014 Highlights (vs. 3Q 2013)

- Net Sales for the third quarter reached Ps. 3.36 billion, increasing 9.5%, compared to the same period in 2013.
- During the third quarter, sales from our Mexican operations remained flat, , compared to the same quarter of 2013, amounting to Ps. 2.01 billion, representing 58.2% of total sales for the last twelve months.
- Sales from our international operations grew 28.1% in the third quarter to Ps. 1.34 billion, from the same quarter of 2013, representing 41.8% of total sales for the last twelve months.
- EBITDA increased 6.8% in the third quarter to Ps. 850.0 million, representing a margin of 25.3%.
- Consolidated Net Income reached Ps. 487.2 million. Earnings per Share¹ for the quarter rose 6.8% to Ps. 1.69, compared to the same period of 2013.
- Cash Conversion Cycle reached 136 days as of September 30, 2014, the lowest result within the past eleven quarters.

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: "Our third quarter results were once again led by the positive results recorded in our international markets, with the U.S. operations recording the strongest growth rate. In Mexico, sales growth was flat overall, with our OTC products showing strong results, proving once again the strength and defensiveness of our core business. However, the slowdown in domestic consumption affected our PC sales, which offset the strong growth recorded in our OTC sales.

Our international operations rose 28.1% in the period, even when considering the negative effects that the foreign exchange rates had on our operations, especially in the case of Argentina. In local currency, the international markets posted higher growth rates overall, behaving in line with our expectations. We are very pleased to have achieved positive results across the board in our international sales, and are especially encouraged by the strong growth of our U.S. results as we continue to strengthen our operations in this country.

In terms of our working capital, we continue to see a continuous improvement of our cash conversion cycle which resulted in 136 days for the third quarter, which is the lowest within the past eleven quarters. We remain committed to reducing the volatility in our working capital and, encouraged by the improvement seen in this quarter, this will continue to be a top priority for Genomma Lab.

It is also important to note that earlier this month we concluded the establishment of Marzam's Business Trust and acquired the remaining 50% plus one of this business's shares. We are proud of having concluded the transaction successfully, and we are convinced that it will revolutionize the distribution in the Mexican pharmaceutical market, driving transparency and productivity, as well as bringing positive results to Genomma Lab, especially to its working capital."



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Consolidated Results of Operations for the Third 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 three and nine month periods ended September 30, 2014 and 2013

(In millions of current Mexican Pesos)

	3rd Quarter			January to September		
	2014	2013	%Var	2014	2013	%Var
Net Sales	3,359.5	3,066.8	9.5	8,697.7	7,683.2	13.2
Gross Profit	2,314.5	2,198.8	5.3	6,023.4	5,360.2	12.4
Gross Margin	68.9%	71.7%	(2.8)	69.3%	69.8%	(0.5)
EBITDA ¹	850.0	795.8	6.8	1,839.9	1,660.5	10.8
EBITDA Margin	25.3%	26.0%	(0.7)	21.2%	21.6%	(0.4)
Operating Income	823.8	780.7	5.5	1,770.7	1,614.7	9.7
Operating Income Margin	24.5%	25.5%	(1.0)	20.4%	21.0%	(0.6)
Net Income of Majority Shareholders	472.5	462.3	2.2	934.0	910.5	2.6
Net Income of Majority Shareholders Margin	14.1%	15.1%	(1.0)	10.7%	11.9%	(1.1)
Weighted average number of shares outstanding	1,048,545,892	1,048,733,370	0.0	1,048,670,191	1,048,733,370	(0.0)
EPS (12 months) ²	1.69	1.59	6.8	1.69	1.59	6.8

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 September 30, 2014 totaled 1,048,359,370.

Net Sales rose 9.5% to Ps. 3.36 billion in the third quarter of 2014, from Ps. 3.07 billion in the third 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. 1.84 billion during the third quarter, including line extensions;
- ii) an increase of 52.6% (Ps. 60.7 million) from **Prior Year Launches** in Mexico during the third quarter due to the full year effect, including the recent line extensions of these brands, resulting in sales of Ps. 176.2 million;
- iii) sales amounting to Ps. 3.3 million in the third quarter of 2014 from **New Brands** in Mexico; and,



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- iv) an increase of 28.1% (Ps. 295.3 million) in sales from **international** operations, totaling Ps. 1.34 billion in the third quarter of 2014.

Gross Profit increased 5.3% to Ps. 2.31 billion in the third quarter of 2014, compared to Ps. 2.20 billion during the third quarter of 2013. Gross Margin decreased 2.8 percentage points, as a percentage of Net Sales, to 68.9% in the third quarter of 2014, compared to 71.7% in the same period of 2013. The margin decrease was primarily due to special discounts in the quarter related to initiatives implemented by our retail clients in addition to the change in our OTC product mix, in which sales from several products with higher cost of goods sold, as a percentage of Net Sales, increased.

Selling, General and Administrative Expenses, as a percentage of Net Sales, decreased 1.5 percentage points to 44.8% in the third quarter of 2014, compared to 46.3% in the same period of 2013. This decrease was primarily explained by the economies of scale resulting from a more efficient management of our SG&A expenses in Mexico and abroad.

EBITDA increased 6.8% to Ps. 850.0 million in the third quarter of 2014, compared to Ps. 795.8 million in the third quarter of 2013. The EBITDA margin decreased 0.7 percentage points, as a percentage of Net Sales, from 26.0% in the third quarter of 2013 to 25.3% in the same quarter of 2014. The EBITDA margin decreased primarily due to higher cost of goods sold, as a percentage of Net Sales, which was partially offset by lower Selling, General and Administrative Expenses (excluding Depreciation and Amortization), as a percentage of Net Sales.

EBITDA Reconciliation

For the third quarter ended September 30, 2014 and 2013
(In millions of current Mexican pesos)

	Third Quarter	
	2014	2013
Consolidated net income	487.2	481.1
Income tax expense	215.6	250.2
Not consolidated subsidiaries (income)	1.4	4.6
Comprehensive financing cost	119.6	44.7
Operating income	823.8	780.7
Depreciation and amortization	26.2	15.1
EBITDA	850.0	795.8
EBITDA margin	25.3%	26.0%

Operating Income increased 5.5% to Ps. 823.8 million in the third quarter of 2014, compared to Ps. 780.7 million in the third quarter of 2013. The Operating Margin, as a percentage of Net Sales, decreased 1.0 percentage point, to 24.5% in the third quarter of 2014, from 25.5% in the same period of 2013.



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Comprehensive Financing Result represented a loss of Ps. 119.6 million in the third quarter of 2014, which is Ps. 74.9 million more than the Ps. 44.7 million loss recorded in the third quarter of 2013. This change was a result of: i) a Foreign Exchange gain amounting to Ps. 17.1 million during the third quarter of 2014, compared to a Ps. 15.3 million gain during the same period of 2013, the gain in this quarter was a result of the appreciation 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. 17.4 million in Financial Expenses to Ps. 91.1 million during the third quarter of 2014, compared to Ps. 73.7 million during the same period of 2013; iii) a higher Interest Income amounting to Ps. 2.1 million during the third quarter of 2014, compared to Ps. 2.5 million in the same period of 2013; and, iv) a Ps. 47.8 million loss in the third quarter of 2014 related to the Exchange Rate conversion from our foreign operations, compared to a Ps. 11.1 million gain in the same period of 2013.

Consolidated Net Income increased 1.3% to Ps. 487.2 million in the third quarter of 2014, representing a margin of 14.5% over Net Sales, compared to Ps. 481.1 million in the third quarter of 2013, with a margin of 15.7%.

Balance Sheet

As of September 30, 2014, September 30, 2013 and December 31, 2013
(In millions of current Mexican pesos)

	September 30, 2014	September 30, 2013	Var Sept '14 vs Sept '13	% Var Sept '14 vs Sept '13	December 31, 2013	Var Sept '14 vs Dec '13	% Var Sept '14 vs Dec '13
Balance Sheet Information:							
Cash and Equivalents	1,345.6	1,747.6	(402.0)	-23.0%	1,767.1	(421.6)	-23.9%
Clients	5,750.9	4,481.6	1,269.3	28.3%	5,016.1	734.8	14.6%
Inventories	1,162.0	1,504.8	(342.8)	-22.8%	1,442.1	(280.1)	-19.4%
Other current Assets	1,962.1	1,381.4	580.7	42.0%	1,762.0	200.1	11.4%
Total Assets	18,594.9	15,058.1	3,536.8	23.5%	17,352.9	1,242.0	7.2%
Suppliers	1,490.3	1,517.1	(26.8)	-1.8%	1,644.1	(153.8)	-9.4%
Other current Liabilities	836.4	820.4	16.1	2.0%	705.1	131.4	18.6%
Current portion of debt	337.5	60.7	276.7	455.7%	805.0	(467.6)	-58.1%
Unsecured local bonds	3,985.4	1,989.5	1,995.9	100.3%	3,982.1	3.2	0.1%
Long-term Loans with financial institutions	1,752.4	2,249.2	(496.8)	-22.1%	668.7	1,083.7	162.0%
Total Liabilities	9,116.1	7,068.9	2,047.2	29.0%	8,517.6	598.5	7.0%
Stockholders Equity	9,478.8	7,989.2	1,489.6	18.6%	8,835.3	643.5	7.3%
Working Capital ⁽¹⁾	7,556.4	6,717.2	839.2	12.5%	6,833.0	723.3	10.6%
Working Capital less cash	6,210.8	4,969.6	1,241.2	25.0%	5,065.9	1,144.9	22.6%
Clients days	167	146	21	14.8%	159	8	5.2%
Inventories days	111	161	(50)	-30.9%	152	(41)	-27.0%
Suppliers days	142	162	(20)	-12.1%	173	(31)	-17.7%
Cash Conversion Cycle	136	144	(8)	-5.9%	138	(2)	-1.5%

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

Cash and Equivalents decreased 23.0%, from Ps. 1.75 billion as of September 30, 2013 to Ps. 1.35 billion as of September 30, 2014. This decrease was mainly due to several acquisition payments, which were also financed with new loans from financial institutions, and was offset by the cash generated from our operations during the past twelve months.

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Clients amounted to Ps. 5.75 billion as of September 30, 2014, compared to Ps. 4.48 billion as of September 30, 2013. Days of Clients increased 21 days to 167 days as of September 30, 2014, from 146 days as of September 30, 2013. This increase was mainly due to a low comparison base resulting from the implementation of stricter commercial policies during 2013 in order to collect payments from our overdue clients, in addition to the strong sales registered in the quarter in our international operations.

Inventories amounted to Ps. 1.16 billion as of September 30, 2014, compared to Ps. 1.50 billion as of September 30, 2013. Days of Inventories decreased 50 days to 111 days as of September 30, 2014, compared to 161 days as of September 30, 2013. This decrease in inventories is the result of a better inventory management which has resulted in healthier inventory levels, in addition to the strong sales posted in our international operations.

Other Current Assets amounted to Ps. 1.96 billion as of September 30, 2014, from Ps. 1.38 billion as of September 30, 2013. This increase was related to a tax benefit for the Company, which started to be compensated during this quarter.

Suppliers amounted to Ps. 1.49 billion as of September 30, 2014, compared to Ps. 1.52 billion as of September 30, 2013. Days of Suppliers decreased 20 days to 142 as of September 30, 2014, from 162 days as of September 30, 2013. This decrease in suppliers is in line with the decrease in inventories.

Other Current Liabilities amounted to Ps. 836.4 million as of September 30, 2014, from Ps. 820.4 million as of September 30, 2013.

Loans with Financial Institutions amounted to Ps. 2.09 billion as of September 30, 2014, compared to Ps. 2.31 billion as of September 30, 2013. The current portion of long term debt amounted to Ps. 337.5 million, which represents 16.1% of the total debt with financial institutions.

Unsecured debt certificates ("Certificados Bursátiles") amounted to Ps. 3.99 billion as of September 30, 2014, compared to 1.99 billion as of September 30, 2013.

As of September 30, 2014 the Gross Debt with cost of the Company amounted to Ps. 6.08 billion, which represents a Net Debt to EBITDA ratio of 1.49.

Cash Conversion Cycle reached 136 days at the end of the third quarter of 2014, which represents a decrease of 8 days compared to the 144 days at the end of the same period of 2013.



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Operations Summary

Net Sales Segmentation for the third quarter of 2014

During the third quarter of 2014, pharmaceutical products¹ represented 66.5% of our Mexican sales, while the personal care products² represented 33.5%.

Net Sales of our pharmaceutical products in Mexico¹ increased 11.8% to Ps. 1.34 billion during the third quarter of 2014, compared to the same period of 2013.

Net Sales of our personal care products in Mexico decreased 17.5% in the third quarter of 2014 to Ps. 675.6 million, compared to the same period of 2013.

Net Sales from our international operations increased 28.1% to Ps. 1.05 billion for the third quarter of 2014, compared to Ps. 1.05 billion for the same period in 2013.

(In millions of current Mexican Pesos)

	3Q14			3Q13			%Var
	Pharma*	PC	Total 3Q14	Pharma*	PC	Total 3Q13	
Mexico	1,339.0	675.6	2,014.6	1,197.7	819.4	2,017.1	-0.1%
International	379.0	966.0	1,344.9	240.2	809.4	1,049.6	28.1%
TOTAL	1,718.0	1,641.5	3,359.5	1,437.9	1,628.8	3,066.8	9.5%

	January to September 2014			January to September 2013			%Var
	Pharma*	PC	Total 2014	Pharma*	PC	Total 2013	
Mexico	2,927.8	1,757.8	4,685.6	2,700.2	1,871.4	4,571.6	2.5%
International	1,182.2	2,829.9	4,012.1	812.3	2,299.2	3,111.6	28.9%
TOTAL	4,109.9	4,587.7	8,697.7	3,512.5	4,170.6	7,683.2	13.2%

* *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 third quarter of 2014, the Company launched 3 line extensions from our **Base Brands** and **Prior Year Launches**, and 1 new product under **New Brands**. Some of the products recently launched are:

Gelbeck, a recently launched brand, relieves occasional sleeplessness and helps to fall asleep in a quick and effective way for up to 8 hours.

Agua de Colonia Sanborns Body Lotion, a line extension of our *Agua de Colonia Sanborns* brand, provides emollients that help maintain the skin soft and

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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moisturized. With added Vitamin E and orange extract, it revitalizes dry skin without feeling greasy.

Touch Me depilatory shower body lotion, a line extension of our *Touch Me* brand, is a depilatory body lotion for shower use that is easy to apply and remove. It acts within 3 minutes, leaving the skin soft and hairless; it contains aloe vera and calendula extract.

Other Corporate Events

- Genomma Lab has closed several transactions through which it increased to 100% its rights to exploit more than 15 key brands in the United States. These brands had a shared ownership in the U.S. and were registered under Lab Brands International, LLC, Genomma Lab's subsidiary in this country. As a result of these transactions, the brands have had significant investments in advertisement. The total amount of these transactions, including media investment, was USD \$30.2 million, which represents a multiple of 3.83 times sales and was financed with the Company's long term loans. With this strategic brand integration, Genomma Lab consolidates its brands in the U.S., reinforcing its plan to have the portfolio of brands with the biggest growth in the Americas.
- On October 6, 2014, Genomma Lab established a Business Trust, completely independent of Genomma Lab and Marzam, through which Grupo Marzam will provide transparency to the commercialization and cash flows of their operation by being responsible for billing, inventories, cash collection and payments. This trust will be managed by a Governance Committee formed by representatives of the most relevant pharmaceutical laboratories in the industry.

Also, the Company decided to anticipate the option to acquire the remaining 50% plus one of Grupo Marzam's shares, to make them available to the different pharmaceutical laboratories that have shown high interest in owning shares in this new distribution model for pharmaceutical products in Mexico.

The amount to be paid for a 100% of Grupo Marzam's equity is Ps. \$1,506 million, including the previous payment, which represents a multiple of 7.92 times last twelve months EBITDA and will be financed with available cash and the Company's long-term credit facilities.

- The Company informs today that Mr. Eduardo Francisco Solórzano Morales, independent member of the Board of Directors and the Auditing Committee since April 29, 2014, has resigned from his positions with immediate effect as a result of his recent executive responsibilities at the company Farmacias del Ahorro. Genomma Lab thanks Mr. Solórzano for his services and wishes the best of luck in his new projects.



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Analyst Coverage

Actinver Casa de Bolsa S.A. de C.V.; Banco Itaú BBA, S.A.; Barclays Bank Mexico, 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; Punto Casa de Bolsa S.A. de C.V.; Santander Investment Securities Inc.; Signum Research; UBS Casa de Bolsa S.A., and Vector Casa de Bolsa S.A de C.V.

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 and nine months ended on September 30, 2014 and 2013

(In thousands of current Mexican pesos)

	THIRD QUARTER		VAR	ACCUMULATED		VAR
	2014	2013	%	2014	2013	%
Net Sales	3,359,547	3,066,754	9.5%	8,697,669	7,683,162	13.2%
Cost of goods sold	1,045,088	867,963	20.4%	2,674,308	2,322,986	15.1%
Gross Income	2,314,459	2,198,791	5.3%	6,023,361	5,360,176	12.4%
Selling, general and administrative expenses	1,480,135	1,404,026	5.4%	4,199,564	3,709,079	13.2%
Other expenses	908	2	45300.0%	2,550	466	447.2%
Other income	16,613	1,062	1464.3%	18,612	9,820	89.5%
EBITDA	850,029	795,825	6.8%	1,839,859	1,660,451	10.8%
Depreciation and amortization	26,227	15,128	73.4%	69,190	45,783	51.1%
Income form Operations	823,802	780,697	5.5%	1,770,669	1,614,668	9.7%
Interest expense	(91,097)	(73,663)	23.7%	(269,246)	(220,149)	22.3%
Interest income	2,138	2,479	(13.8%)	7,965	6,153	29.4%
Exchange (expense) income	(30,653)	26,453	(215.9%)	(60,864)	(2,839)	2043.9%
Comprehensive financing income (cost)	(119,612)	(44,731)	167.4%	(322,145)	(216,835)	48.6%
Associated company	(1,412)	(4,630)	(69.5%)	(2,479)	12,488	(119.9%)
Income before income taxes	702,778	731,336	(3.9%)	1,446,045	1,410,321	2.5%
Income tax expense	215,597	250,196	(13.8%)	453,151	458,071	(1.1%)
Consolidated Net Income	487,181	481,140	1.3%	992,894	952,250	4.3%
Net income of minority stockholders	14,631	18,872	(22.5%)	58,943	41,711	41.3%
Net income of majority stockholders	472,550	462,268	2.2%	933,951	910,539	2.6%
Conversion result from foreign currencies	61,592	(3,071)	(2105.6%)	44,814	7,636	486.9%
Comprehensive Income	534,142	459,197	16.3%	978,765	918,175	6.6%



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Balance Sheet

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

As of September 30, 2014, September 30, 2013 and December 31, 2013

(In thousands of current Mexican Pesos)

	SEPTEMBER	SEPTEMBER	VARIATION		DECEMBER	VARIATION	
ASSETS	2014	2013	Amount	%	2013	Amount	%
Current assets							
Cash and equivalents	1,336,550	1,738,883	(402,333)	(23%)	1,759,019	(422,469)	(24%)
Restricted fund	9,037	8,733	304	3%	8,126	911	11%
Clients - Net	5,750,877	4,481,578	1,269,299	28%	5,016,080	734,797	15%
Others accounts receivable	766,350	514,477	251,873	49%	677,475	88,875	13%
Inventory - Net	1,161,999	1,504,846	(342,847)	(23%)	1,442,056	(280,057)	(19%)
Prepaid expenses	1,195,742	866,904	328,838	38%	1,084,498	111,244	10%
Total current assets	10,220,555	9,115,421	1,105,134	12%	9,987,254	233,301	2%
Non-current assets							
Trademarks	6,438,627	4,686,995	1,751,632	37%	6,110,114	328,513	5%
Investment in shares	615,733	19,046	596,687	3133%	17,681	598,052	3382%
Building, properties and equipment - Net	441,888	387,103	54,785	14%	408,383	33,505	8%
Deferred income tax	75,539	49,879	25,660	51%	37,641	37,898	101%
Other assets - Net	802,548	799,631	2,917	0%	791,796	10,752	1%
Total non-current assets	8,374,335	5,942,654	2,431,681	41%	7,365,615	1,008,720	14%
Total assets	18,594,890	15,058,075	3,536,815	23%	17,352,869	1,242,021	7%
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Current portion of long-term debt	337,455	60,721	276,734	456%	805,025	(467,570)	(58%)
Suppliers	1,490,297	1,517,129	(26,832)	(2%)	1,644,125	(153,828)	(9%)
Other current liabilities	705,646	754,386	(48,740)	(6%)	664,144	41,502	6%
Income tax payable	122,968	60,874	62,094	102%	30,881	92,087	298%
Statutory employee profit sharing	7,832	5,109	2,723	53%	9,911	(2,079)	(21%)
Total current liabilities	2,664,198	2,398,219	265,979	11%	3,154,086	(489,888)	(16%)
Non-current liabilities							
Long-term debt securities	3,985,353	1,989,479	1,995,874	100%	3,982,107	3,246	0%
Long-term loans with financial institutions	1,752,447	2,249,201	(496,754)	(22%)	668,745	1,083,702	162%
Other long term liabilities	63,203	49,063	14,140	29%	50,181	13,022	26%
Deferred income tax	648,431	380,789	267,642	70%	660,416	(11,985)	(2%)
Employee retirement obligations	2,474	2,124	350	16%	1,889	585	31%
Total liabilities	9,116,106	7,068,875	2,047,231	29%	8,517,424	598,682	7%
Stockholders' equity							
Capital stock	1,914,306	1,921,660	(7,354)	(0%)	1,914,306	-	-
Retained earnings	6,428,565	5,156,955	1,271,610	25%	5,066,538	1,362,027	27%
Net income	933,951	910,539	23,412	3%	1,752,468	(818,517)	(47%)
Cumulative translation effects of foreign subsidiaries	57,649	12,332	45,317	367%	12,835	44,814	349%
Share buy back fund	(84,142)	(160,350)	76,208	(48%)	(74,621)	(9,521)	13%
Net premium in placement of repurchased shares	39,749	39,749	-	-	39,749	-	-
Minority interest	188,706	108,315	80,391	74%	124,170	64,536	52%
Total stockholders' equity	9,478,784	7,989,200	1,489,584	19%	8,835,445	643,339	7%
Total equity and liabilities	18,594,890	15,058,075	3,536,815	23%	17,352,869	1,242,021	7%



Third Quarter Report 2014

Cash Flow

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

For the three and nine months ended on September 30, 2014

(In thousands of current Mexican pesos)

	SEPTEMBER 2014	
	3th QUARTER	ACCUMULATED
Cash and cash equivalents beginning of period	1,461,785	1,767,145
Consolidated Net Income	487,181	992,894
Charges to results with no cash flow:		
Depreciation and amortization	26,227	69,190
Income tax	215,597	453,151
Accrued interest and others	89,186	259,313
	818,191	1,774,548
Changes in Working Capital:		
Clients - Net	(604,309)	(734,797)
Inventories	199,851	280,057
Suppliers	48,867	(153,901)
Other current assets	(34,709)	(377,681)
Payed income tax	(74,826)	(258,854)
Other current liabilities	70,411	122,523
	(394,715)	(1,122,653)
Net cash generated (used) in operating activities	423,476	651,895
Investing activities:		
Investment in fixed assets	(30,467)	(85,428)
Sales of equipment	6	562
Brand acquisitions and others	(26,780)	(337,612)
Investment in shares	-	(600,000)
Others assets acquisitions	(31,584)	(36,731)
	(88,825)	(1,059,209)
Financing activities:		
Payments of borrowings with financial institutions	(19,817)	(561,646)
Loans with financial and securities institutions	39,961	1,205,740
Interest paid	(82,187)	(241,305)
Stock program for employees	(13,869)	(15,234)
Transactions with related parties	(390,441)	(390,441)
Minority interest	6,664	5,593
	(459,689)	2,707
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	(125,038)	(404,607)
Foreign exchange and inflationary effects from international operations	8,840	(16,951)
Accumulated cash flow at the end of the period	1,345,587	1,345,587
Less - restricted fund	9,037	9,037
Cash and cash equivalents at end of period balance for operation	1,336,550	1,336,550