



Mexico City, Mexico, June 2, 2017

Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB.B) (“Genomma Lab” or “the Company”), today announced its results for the third quarter ended September 30, 2016. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

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A. Q3 2016 Highlights (vs. Q3 2015)

- Net Revenues for the third quarter 2016 were Ps. 2.92 billion; an 11.4% year on year increase. Year to date, Net Sales were 2.9% higher than the same period of 2015.
- Third quarter 2016 EBITDA amounted to Ps. 601.3 million; a 55.2% increase versus the previous year, representing a 20.6% margin. Year to date, Adjusted EBITDA was Ps. 1.71 billion, a 17.1% increase compared to the previous year.
- Net Income amounted to Ps. 512.2 million in the third quarter of 2016; a 171.9% increase compared to the same quarter of 2015, representing a margin of 17.5%.
- Highlights by Region:
 - Net Revenues from Mexican operations were Ps. 1.24 billion; a 51.2% increase year on year, in line with our expectations for the quarter, although fill rates were below optimal levels.
 - Sales from Latin American operations decreased 11.9%, to Ps. 1.32 billion, as compared to Ps. 1.50 billion during the third quarter of 2015. This was primarily due to lower service levels to customers resulting from decreased fulfillment levels from our Mexican suppliers, as the Company’s focus during the quarter was on improving these levels in our Mexican operations. Genomma is working with its suppliers to reestablish normalized fill rate levels for Latin America. The Company’s Latin American operations were also adversely impacted by continued weak macroeconomic conditions in Brazil and other countries in which it operates. On a local currency basis, sales in Latin America declined by 3.6%.
 - Net Revenues for Genomma’s U.S. operations were Ps. 357.5 million; an 18.6% increase year on year, on increased presence and supported by USD



appreciation versus the Mexican Peso. Year-to-date, sales for the U.S. are 24.2% above the Company's 2015 figures.

- Cash Conversion Cycle closed at 89 days; an 11-day increase compared to 78 days at the end of the second quarter 2016, mainly due to increased inventory levels necessary to improve fill-rates in Mexico.
- Genomma achieved Ps. 141.3 million in free cash flow generation in the third quarter 2016, and Ps. 1.29 billion year-to-date. During the quarter, the Company invested Ps. 179.5 million as part of its stock repurchase program. Genomma will continue to invest most of its free cash flow in Genomma shares throughout the year while continuing to reduce the Company's net debt.

B. Comments from the CEO

Mr. Máximo Juda, Chief Executive Officer, commented: "After having concluded our destocking process at the end of last quarter, we are now closer to where our Mexican business should be in terms of inventories, with sell-in and sell-out at healthier levels than we've seen in the past. I am pleased to report strong demand in the quarter despite lower levels of TV advertising. The turnaround process we embarked on a year ago is taking hold throughout our businesses, despite a backdrop of continued challenges in the macroeconomic environment in many of our markets.

Consolidated sales were Ps. 2.92 billion, representing an 11.4% year on year increase, with Mexican net sales of Ps. 1.24 billion; a 51.2% increase as compared to the year ago period for the country. Year-to-date, consolidated net sales are in line with our expectations. Further, the improvement in our commercial policies has led to expanded gross margins.

Demand in Mexico was strong during the quarter, leading to some stock outs that were lower than what we experienced in the prior quarter. The fill rate issues in Mexico also impacted our ability to fulfill the demand of our international operations, as most of the supply to our subsidiaries continues to be sourced from Mexico. Reduced service levels, as well as continued softness in the macroeconomic environment, led to an 11.9% decrease in sales from our Latin American operations during the third quarter of 2016. We are working hard with our suppliers to rebalance our supply chain and access to inventories to meet the demand for our products. Increasing manufacturing levels and improving fulfillment of customer orders is a top priority for the Company.

Genomma's U.S. operations posted Net Revenues of Ps. 357.5 million during the quarter, representing an 18.6% increase over the prior year's third quarter as we continue to strengthen our presence in that market and benefit from a strong USD. While the U.S. represents a significant opportunity for Genomma, it is a highly competitive market. As part of our expansion plans, we tested new initiatives which led to some pressure on EBITDA levels during the quarter.

As we continue improving our internal processes and systems, our free cash flow generation is in line with our expectations. The slight increase in our net debt in this quarter is related to the use of cash in our share repurchase program, which we plan to continue to execute at similar levels until the end of the year. We will remain focused on free cash flow generation during the next quarters.



As I mentioned last quarter, Genomma's new management team and the Audit Committee proposed to the Board of Directors that a deeper revision of the Company's long-lived assets be undertaken in order to more accurately reflect the fair value of these assets on the balance sheet under new macroeconomic circumstances. The full review was completed in April 2017 resulting in charges generated for Ps 2.94 billion.

Overall, I am pleased with the results to date of the extensive process to turn around Genomma. Improved policies and procedures have led to some tough yet necessary adjustments; rightsizing and streamlining our organization is strengthening our margins and a new business model in Mexico is allowing us to capitalize on the strong demand for our products in a more sustainable and profitable way."

C. Results for the Third Quarter 2016

NOTE: Genomma Lab strengthened its financial policies during the fourth quarter of 2015 and 2016, as well as implemented additional procedures and controls, resulting in adjustments reported within the corresponding Quarter and Full Year Results Release. We believe these policies reflect a **prudent^a** accounting approach based on the current circumstances. These policies, which were presented to and approved by the Company's Audit Committee and Board of Directors, enhance the relevance and reliability of information contained within the financial statements.

The following tables show consolidated results of operations on an as reported basis and adjusted for restructuring non-recurring charges for comparative purposes, in millions of pesos. Margins are shown as a percentage of Net Sales. Figures for the current quarter have been reported following the new financial policies implemented by the Company during 2015 and 2016.

Balance Sheet figures include the previously reported restructuring-based non-recurring charges and one-time charges^b. P&L figures for 2016 have been compared to the same period of the previous year.

^a IASB considers that **prudence** (defined as the exercise of caution when making judgements under conditions of uncertainty) can help achieve neutrality in the application of accounting policies. Another way of looking at prudence is to only record a revenue transaction or an asset when it is certain, and record an expense transaction or liability when it is probable.

^b The vast majority of which were **non-cash** one-time charges, as well as other non-recurring cash restructuring charges



For the third quarter ended September 30, 2016 and 2015
(In million pesos)

Q3	REPORTED		
	Q3 2015	Reported Q3 2016	Variation vs Q3'15
Net Sales	2,624.2	2,922.6	11.4%
Gross Profit	1,797.7	2,086.3	16.1%
Gross Margin	68.5%	71.4%	
EBITDA ¹	387.3	601.3	55.2%
EBITDA Margin	14.8%	20.6%	
Operating Income	359.5	585.4	62.8%
Operating Margin	13.7%	20.0%	
Net Income of Majority Shareholders	182.5	483.8	165.1%
Net margin	7.0%	16.6%	

YTD	REPORTED			ON A "Like-for-Like" BASIS		
	Q3 2015	Reported Q3 2016	Variation vs Q3'15	Q3 2015	Adjusted Q3 2016	Variation vs Q3'15
Net Sales	8,367.5	8,611.5	2.9%			
Gross Profit	5,837.1	6,111.6	4.7%			
Gross Margin	69.8%	71.0%				
EBITDA ¹	1,423.9	-1,315.1	-192.4%	1,458.3	1,706.9	17.1%
EBITDA Margin	17.0%	-15.3%		17.4%	19.8%	
Operating Income	1,338.7	-1,381.5	-203.2%	1,373.1	1,640.5	19.5%
Operating Margin	16.0%	-16.0%		16.4%	19.1%	
Net Income of Majority Shareholders	679.3	-1,698.8	-350.1%			
Net margin	8.1%	-19.7%				

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

Note: "Like-for-like" results were adjusted by adding restructuring non-recurring charges in the first nine months of 2015 and 2016.



D. Potential non-cash, non-recurring charges to the Company's long-lived assets

Due to changing macroeconomic circumstances, Genomma's new Management and Audit Committee proposed to the Board of Directors that a deeper revision of the Company's long-lived assets be conducted, to more accurately reflect their fair value on the Balance sheet.

Over the years, the Company invested substantial resources in long-lived assets to develop new ventures. However, the use of these assets has either not been optimal or has experienced delays due to circumstances that have changed over time. In order to ensure full transparency in Genomma's financial is disclosing that, as a result of the revision conducted, non-cash, non-recurring charges were generated to its balance sheet in Q2'16.

The charges totaled Ps. 2.94 billion, and include the following: a) intangible assets related to brands, sanitary registries and their related fixed assets and, b) carryover and prepaid advertising.

E. MD&A for the Third Quarter 2016 Consolidated Results

Net Sales increased 11.4% during the third quarter of 2016 compared to the same period of 2015, amounting to Ps. 2.92 billion. Year-to-date, Net Sales are in line with our expectations.

Results by region were:

Mexico

Net Sales amounted to Ps. 1.24 billion in the third quarter of 2016; a 51.2% increase year on year, in line with our expectations for the quarter, although fill rates were below optimal levels.

It is important to note that inventories of Genomma's products at Marzam were 48 days at the end of the third quarter of 2016, compared to 67 days at the end of December 2015.

EBITDA amounted to Ps. 252.0 million in the third quarter of 2016, representing a 20.3% margin. This result was due to the increased leverage obtained from normalized sales levels as we are no longer in the destocking phase.

Latin America

Net Sales declined 11.9% to Ps. 1.32 billion in the third quarter of 2016 as compared to the prior year. The decline in sales was primarily driven by low service levels to customers resulting from decreased fulfillment levels from Mexico's suppliers, coupled with weak sales in Brazil, where a weak consumer environment continues to impact the Company's results in this country. When expressed in local currency, sales decreased by 3.6% in the third quarter.

EBITDA amounted to Ps. 272.2 million in the third quarter of 2016, representing a margin of 20.6%.

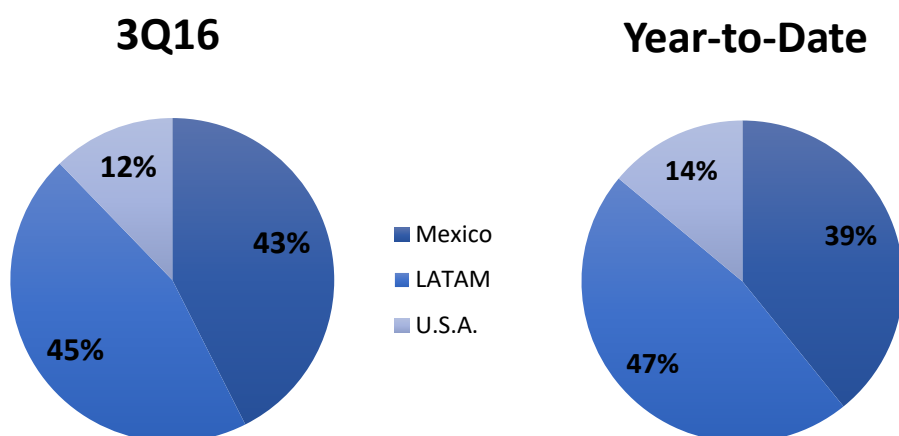


U.S.A.

Net Sales increased 18.6% to Ps. 357.5 million in the third quarter 2016. On a year-to-date basis, results are 24.2% above the Company's 2015 figures. Genomma's U.S. operations continue to perform as expected as its presence in this country strengthens. When expressed in local currency, sales increased 3.8% in the third quarter.

EBITDA amounted to Ps. 77.1 million in the third quarter of 2016, representing a margin of 21.6%.

Net Sales Reported by Region and Segment



(In million pesos)

	OTC			PC			Total		
	3Q16	3Q15	%Var	3Q16	3Q15	%Var	3Q16	3Q15	%Var
Mexico	767.4	425.5	80.3%	476.3	397.3	19.9%	1,243.7	822.8	51.2%
LATAM	444.5	441.1	0.8%	876.9	1,058.8	-17.2%	1,321.4	1,499.9	-11.9%
USA	216.7	159.7	35.7%	140.8	141.9	-0.7%	357.5	301.6	18.6%
TOTAL	1,428.5	1,026.3	39.2%	1,494.1	1,597.9	-6.5%	2,922.6	2,624.2	11.4%

	OTC			PC			Total		
	YTD 3Q16	YTD 3Q15	%Var	YTD 3Q16	YTD 3Q15	%Var	YTD 3Q16	YTD 3Q15	%Var
Mexico	1,988.3	1,515.1	31.2%	1,385.3	1,473.8	-6.0%	3,373.6	2,989.0	12.9%
LATAM	1,335.0	1,266.6	5.4%	2,701.2	3,144.2	-14.1%	4,036.2	4,410.8	-8.5%
USA	670.7	635.5	5.5%	531.0	332.2	59.8%	1,201.7	967.7	24.2%
TOTAL	3,994.0	3,417.2	16.9%	4,617.5	4,950.2	-6.7%	8,611.5	8,367.5	2.9%

Gross Profit increased 16.1% to Ps. 2.09 billion in the third quarter of 2016, compared to Ps. 1.80 billion during the third quarter of 2015. Gross Margin increased 2.9 percentage points, to 71.4% in the third quarter of 2016. The gross margin expansion was largely due to the ongoing improvement of commercial policies, primarily at Genomma's Mexican operations, as well as to the



reduction of returns and finished product surpluses resulting from improved inventory management at Genomma and customer warehouses.

Selling, General, Marketing and Administrative Expenses, decreased 3.0 percentage points as a percentage of Net Sales, to 51.4%, compared to 54.4% in the same quarter of 2015. This decrease is due to the optimization and improved management of Genomma's advertising expenses, supported by increased sales in Mexico driven by the successful destocking process completion.

EBITDA amounted to Ps. 601.3 million in the third quarter of 2016, compared to an adjusted EBITDA of Ps. 406.6 million in the third quarter of 2015. The EBITDA margin was 20.6% in the third quarter of 2016 as a result of lower Selling, General, Marketing and Administrative Expenses (excluding Depreciation and Amortization), in addition to lower costs of goods sold, as a percentage of Net Sales.

EBITDA Reconciliation

For the third quarter ended September 30, 2016 and 2015
(In million pesos)

	Third Quarter	
	2016	2015
Consolidated net income	512.2	188.4
Discontinued operations (loss)	-	11.0
Income tax expense	217.3	80.7
Not consolidated subsidiaries' income (cost)	11.4	(1.6)
Comprehensive financing income (loss)	132.7	(99.9)
Operating income	585.4	359.5
Depreciation and amortization	15.9	27.8
EBITDA	601.3	387.3
EBITDA margin	20.6%	14.8%
Non-recurring expenses and one-off effects ¹		19.3
Adjusted EBITDA	601.3	406.6
Adjusted EBITDA margin	20.6%	15.5%

¹ Non-recurring expenses are related to the downsizing of our headcount in Mexico (severance payments) incurred during Q3'15.

Comprehensive Financing Result represented an income of Ps. 132.7 million in the third quarter of 2016, compared to a Ps. 99.9 million loss recorded in the third quarter of 2015. This variation was a result of: i.) a Foreign Exchange gain amounting to Ps. 27.4 million during the third quarter of 2016, compared to a Ps. 68.6 million gain during the same period of 2015; ii.) a Ps. 22.4 million decrease in Financial Expenses to Ps. 81.4 million during the third quarter of 2016, compared to Ps. 103.8 million during the same period of 2015; iii.) higher Interest Income amounting to Ps. 7.6 million during the third quarter of 2016, compared to Ps. 7.3 million in the same period of 2015; and, iv.) a Ps. 179.2 million gain in the third quarter of 2016 related to the Exchange Rate conversion from our foreign operations, compared to a Ps. 72.0 million loss in the same period of 2015.



Net Income amounted to Ps. 512.2 million in the third quarter of 2016; a 171.9% increase compared to the third quarter of 2015, representing a margin of 17.5%.

Cashflow for the Third Quarter 2016

For the third quarter ended September 30, 2016
(In million pesos)

	3Q16
Net Income	512.2
Charges to Results with no Cash Flow	301.2
Changes in Working Capital	(595.8)
Net Cash from Operating Activities	217.6
Purchase of Property, Plant & Equipment	(10.8)
Purchase of Businesses and Others	(65.6)
Net Cash from Investing	(76.3)
Proceeds (Repayment) of Borrowing	(48.8)
Financing Expenses/Income and Other	(306.3)
Net Cash from Financing	(355.2)
Effect of Exchange Rate Changes on Cash	(54.3)
Cash at Beginning of Period	1,859.7
Cash at End of Period	1,591.5

Cash Flow from Operations

Net resources from operating activities amounted to Ps. 217.6 million in the third quarter of 2016.

Cash Flow from Investing Activities

Net resources used in investing activities amounted to Ps. 76.3 million, primarily related to a pre-payment made for the acquisition of the production facility that hosts some of Genomma's various OTC sanitary registries.

Cash Flow from Financing Activities

In the third quarter of 2016, the Company paid a total net of Ps. 355.2 million, comprised of: net stock repurchases in the amount of Ps. 179.5 million, net debt payments to financial institutions in the amount of Ps. 48.8 million and interest paid in the amount of Ps. 95.8 million.



Balance Sheet for the Third Quarter 2016

As of September 30, 2016, September 30, 2015 and December 31, 2015
(In million pesos)

	September 30, 2016	September 30, 2015	Var Sep '16 vs Sep '15	% Var Sep '16 vs Sep '15	December 31, 2015	Var Sep '16 vs Dec '15	% Var Sep '16 vs Dec '15
Balance Sheet Information:							
Cash and Equivalents	1,591.5	2,116.3	(524.7)	-24.8%	1,725.9	(134.4)	-7.8%
Accounts Receivable	2,254.1	3,034.9	(780.8)	-25.7%	2,072.6	181.5	8.8%
Inventories	1,192.4	1,544.4	(352.1)	-22.8%	1,158.9	33.4	2.9%
Other current Assets	2,780.2	4,112.8	(1,332.6)	-32.4%	2,581.6	198.6	7.7%
Fixed, Intangible and other LT Assets	7,464.6	9,724.0	(2,259.3)	-23.2%	10,094.2	(2,629.5)	-26.0%
Total Assets	15,282.8	20,532.4	(5,249.6)	-25.6%	17,633.2	(2,350.4)	-13.3%
Trade Payables	1,020.1	1,100.6	(80.5)	-7.3%	670.1	350.0	52.2%
Other current Liabilities	1,449.7	1,605.7	(156.0)	-9.7%	1,475.1	(25.4)	-1.7%
Current portion of debt	2,103.7	252.4	1,851.3	733.4%	350.9	1,752.8	499.5%
Unsecured local bonds	3,493.1	5,485.6	(1,992.6)	-36.3%	5,487.0	(1,993.9)	-36.3%
Long-term loans with financial institutions	285.1	361.5	(76.4)	-21.1%	342.3	(57.2)	-16.7%
Total Liabilities	8,465.9	9,486.4	(1,020.5)	-10.8%	8,384.5	81.4	1.0%
Stockholders Equity	6,816.9	11,046.0	(4,229.0)	-38.3%	9,248.6	(2,431.7)	-26.3%
Working Capital ⁽¹⁾	3,244.6	7,849.7	(4,605.1)	-58.7%	5,042.9	(1,798.3)	-35.7%
Working Capital less cash	1,653.1	5,733.4	(4,080.3)	-71.2%	3,317.0	(1,663.9)	-50.2%
Accounts Receivable days	72	97	(26)	-26.2%	68	4	5.7%
Inventories days	115	164	(49)	-30.0%	110	5	4.2%
Trade Payables days	98	117	(19)	-16.0%	64	34	53.2%
Cash Conversion Cycle	89	144	(55)	-38.2%	114	(25)	-21.9%

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

Cash and Equivalents amounted to Ps. 1.59 billion as of September 30, 2016, representing a 7.8% decrease compared to December 31, 2015, and a 14.4% decrease compared to the second quarter of 2016. This decrease was primarily due to share repurchases as well as bank debt payments made during the quarter. In the third quarter of 2016, the Company's net share repurchase was Ps. 179.5 million. Year to date, the Company's net share repurchases amounted to Ps. 713.8 million.

Accounts Receivable amounted to Ps. 2.25 billion as of September 30, 2016; an 8.8% increase since December 2015 and a 14.7% increase compared to the second quarter of 2016. Days of Accounts Receivable amounted to 72. The Company continues to maintain healthy levels of Accounts Receivable at its Mexican and international operations.

Accounts Receivable as of September 2016 by region were:

	Accounts Receivable		
	Q4'15	Q2'16	Q3'16
Mexico	75	51	65
LATAM	65	78	81
U.S.A.	61	49	57



Inventories amounted to Ps. 1.19 billion as of September 30, 2016. Days of Inventories amounted to 115; a 5-day increase compared to year-end 2015 and a 17-day increase compared to the second quarter of 2016. This increase was driven by efforts to return to normalized fill-rate levels in order to fulfill customer orders at Genomma's Mexico and LatAm operations.

Other Current Assets amounted to Ps. 2.78 billion as of September 30, 2016.

Trade Payables amounted to Ps. 1.02 billion as of September 30, 2016. As of the third quarter of 2016, DPO increased to 98 days from 64 days as of December 2015 and 84 days as of June 2016, as procurement levels at our Mexican operations increased with the conclusion of its destocking process, in addition to increased purchases to improve inventory levels and thereby enhance client service.

Other Current Liabilities amounted to Ps. 1.45 billion as of September 30, 2016; a Ps. 25.4 million decrease compared to year-end 2015.

Financial Leverage- Gross Debt amounted to Ps. 5.88 billion as of September 30, 2016, compared to Ps. 6.18 billion in December of 2015; a Ps. 298.3 million reduction.

Net Debt amounted to Ps. 4.29 billion; a Ps. 163.9 million reduction compared to December 2015. This decrease in Net Debt was primarily due to debt repayment during the period in addition to cash generated from our operations.

The Company's CeBures (long-term bonds) reach maturity on the following dates: September 2017, July 2018 and January 2020.

Cash Conversion Cycle reached 89 days at the end of the third quarter of 2016, compared to 114 days on December 2015 and 78 days on June 2016, primarily due to increased inventory levels necessary to improve fill-rates in Mexico.

F. Other Corporate Events

- The Company merged its three U.S. Subsidiaries into Genomma Lab USA, which will now operate as a single entity, improving overall efficiency. The merged entities were Lab Brands and Genomma Consumer Products, formerly Televisa Consumer Products, which was acquired at the end of 2015.
- To date the Company has received a payment of Ps. 100 million as part of the purchase price of Marzam. The remaining portion of the pending payment is scheduled to be settled by the end of 2016, upon conclusion of the final review of the mutually-agreed due diligence.



Analyst Coverage

Genomma Lab is covered by analysts at the following brokerages:

Casa de Bolsa Credit Suisse; Banco Itaú BBA; Santander Investment Securities.; BBVA Bancomer.; UBS Casa de Bolsa; Barclays Bank; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Grupo Financiero Banorte; Grupo Financiero Interacciones; HSBC Securities (USA); Invex Grupo Financiero; Signum Research, and JPMorgan Securities.

Company Description

Genomma Lab Internacional, S.A.B. de C.V. is one of the leading 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.

Contact:
Investor Relations
Tel: +52 (55) 5081-0000 Ext. 4016
E-mail: inversion@genommalab.com

In New York:
Barbara Cano, MBS Value Partners
Tel: +1 (646) 452-2334
E-mail: barbara.cano@mbsvalue.com



Income Statement

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

For the three and nine months ended on September 30, 2016 and 2015

(In thousands of current Mexican pesos)

	THIRD QUARTER			ACCUMULATED		
	2016	2015	Var %	2016	2015	Var %
Net Sales	2,922,617	2,624,229	11.4%	8,611,518	8,367,463	2.9%
Cost of goods sold	836,325	826,486	1.2%	2,499,905	2,530,387	(1.2%)
Gross Income	2,086,292	1,797,743	16.1%	6,111,613	5,837,076	4.7%
Selling, general and administrative expenses	1,487,216	1,400,828	6.2%	5,527,545	4,405,083	25.5%
Other expenses	2,651	3,325	(20.3%)	1,931,104	11,817	16241.7%
Other income	4,875	(6,244)	(178.1%)	31,968	3,684	767.8%
EBITDA	601,300	387,346	55.2%	(1,315,068)	1,423,860	(192.4%)
Depreciation and amortization	15,902	27,823	(42.8%)	66,439	85,117	(21.9%)
Income from Operations	585,398	359,523	62.8%	(1,381,507)	1,338,743	(203.2%)
Interest expense	(81,433)	(103,835)	(21.6%)	(237,219)	(307,659)	(22.9%)
Interest income	7,579	7,328	3.4%	21,854	17,750	23.1%
Exchange income (expense)	206,596	(3,376)	(6219.5%)	441,497	(27,043)	(1732.6%)
Comprehensive financing income (cost)	132,742	(99,883)	(232.9%)	226,132	(316,952)	(171.3%)
Associated company	11,428	(1,633)	(799.8%)	29,991	(3,808)	(887.6%)
Income before income taxes	729,568	258,007	182.8%	(1,125,384)	1,017,983	(210.6%)
Income tax expense	217,343	80,669	169.4%	504,938	363,328	39.0%
Income from continuing operations	512,225	177,338	188.8%	(1,630,322)	654,655	(349.0%)
Net income from discontinued operations	-	11,038	(100.0%)	-	68,154	(100.0%)
Consolidated net income	512,225	188,376	171.9%	(1,630,322)	722,809	(325.6%)
Net income of minority stockholders	28,414	5,846	386.0%	68,445	43,516	57.3%
Net income of majority stockholders	483,811	182,530	165.1%	(1,698,767)	679,293	(350.1%)



Balance Sheet

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

As of September 30, 2016 and 2015 and December 31, 2015

(In thousands of current Mexican Pesos)

ASSETS	SEPTEMBER		VARIATION		DECEMBER	VARIATION	
	2016	2015	Amount	%	2015	Amount	%
Current assets							
Cash and equivalents	1,560,382	2,098,999	(538,617)	(26%)	1,673,835	(113,453)	(7%)
Restricted fund	31,140	17,271	13,869	80%	52,069	(20,929)	(40%)
Clients - Net	2,254,061	3,034,867	(780,806)	(26%)	2,072,566	181,495	9%
Others accounts receivable	2,016,734	2,143,486	(126,752)	(6%)	1,846,954	169,780	9%
Inventory - Net	1,192,364	1,544,449	(352,085)	(23%)	1,158,913	33,451	3%
Prepaid expenses	763,474	1,969,325	(1,205,851)	(61%)	734,664	28,810	4%
Total current assets	7,818,155	10,808,397	(2,990,242)	(28%)	7,539,001	279,154	4%
Non-current assets							
Trademarks	5,276,764	7,057,934	(1,781,170)	(25%)	6,348,973	(1,072,209)	(17%)
Investment in shares	1,382,470	1,367,140	15,330	1%	1,352,478	29,992	2%
Building, properties and equipment - Net	324,145	407,291	(83,146)	(20%)	406,646	(82,501)	(20%)
Deferred income tax	350,422	76,989	273,433	355%	323,435	26,987	8%
Other assets - Net	130,848	814,630	(683,782)	(84%)	1,662,626	(1,531,778)	(92%)
Total non-current assets	7,464,649	9,723,984	(2,259,335)	(23%)	10,094,158	(2,629,509)	(26%)
TOTAL ASSETS	15,282,804	20,532,381	(5,249,577)	(26%)	17,633,159	(2,350,355)	(13%)
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Current portion of long-term debt	2,103,720	252,432	1,851,288	733%	350,884	1,752,836	500%
Suppliers	1,020,113	1,100,611	(80,498)	(7%)	670,116	349,997	52%
Due to related parties	40,972	12,495	28,477	228%	13,134	27,838	212%
Other current liabilities	1,275,792	1,323,388	(47,596)	(4%)	1,250,852	24,940	2%
Income tax payable	118,462	252,326	(133,864)	(53%)	184,285	(65,823)	(36%)
Statutory employee profit sharing	14,486	17,462	(2,976)	(17%)	26,797	(12,311)	(46%)
Total current liabilities	4,573,545	2,958,714	1,614,831	55%	2,496,068	2,077,477	83%
Non-current liabilities							
Long-term debt securities	3,493,052	5,485,639	(1,992,587)	(36%)	5,486,964	(1,993,912)	(36%)
Long-term loans with financial institutions	285,082	361,504	(76,422)	(21%)	342,266	(57,184)	(17%)
Other long term liabilities	46,553	53,984	(7,431)	(14%)	54,442	(7,889)	(14%)
Deferred income tax	65,916	623,682	(557,766)	(89%)	1,695	64,221	3789%
Employee retirement obligations	1,712	2,879	(1,167)	(41%)	3,073	(1,361)	(44%)
Total liabilities	8,465,860	9,486,402	(1,020,542)	(11%)	8,384,508	81,352	1%
Stockholders' equity							
Capital stock	1,914,306	1,914,306	-	-	1,914,306	-	-
Retained earnings	7,195,046	8,263,564	(1,068,518)	(13%)	8,263,564	(1,068,518)	(13%)
Net income	(1,698,767)	679,293	(2,378,060)	(350%)	(1,068,518)	(630,249)	59%
Cumulative translation effects of foreign subsidiaries	428,083	372,433	55,650	15%	417,750	10,333	2%
Share buy back fund	(1,285,766)	(468,688)	(817,078)	174%	(578,955)	(706,811)	122%
Net premium in placement of repurchased shares	38,212	39,749	(1,537)	(4%)	39,749	(1,537)	(4%)
Minority interest	225,830	245,322	(19,492)	(8%)	260,755	(34,925)	(13%)
Total stockholders' equity	6,816,944	11,045,979	(4,229,035)	(38%)	9,248,651	(2,431,707)	(26%)
TOTAL EQUITY AND LIABILITIES	15,282,804	20,532,381	(5,249,577)	(26%)	17,633,159	(2,350,355)	(13%)



Cash Flow

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

For the three and nine months ended on September 30, 2016

(In thousands of current Mexican pesos)

	SEPTEMBER 2016	
	3rd QUARTER	ACCUMULATED
Cash and cash equivalents beginning of period	1,859,703	1,725,905
Consolidated Net Income	512,226	(1,630,322)
Charges to results with no cash flow:		
Depreciation and amortization	15,903	66,440
Income tax	217,343	504,938
Impairment of assets	-	1,955,720
Accrued interest and others	67,937	1,061,720
	813,409	1,958,496
Changes in Working Capital:		
Clients - Net	(289,369)	(181,453)
Inventories	(180,390)	(33,450)
Suppliers	151,984	348,100
Other current assets	(101,332)	(115,834)
Paid income tax	(230,404)	(574,178)
Other current liabilities	53,738	(11,344)
	(595,773)	(568,159)
Net cash generated (used) in operating activities	217,636	1,390,337
Investing activities:		
Investment in fixed assets	(13,758)	(51,078)
Sales of equipment	3,000	23,130
Brand acquisitions and others	(61,738)	(62,754)
Others assets acquisitions	(3,840)	(4,105)
Net cash generated (used) in investing activities	(76,336)	(94,807)
Financing activities:		
Payments of borrowings with financial institutions	(78,630)	(428,604)
Loans with financial and securities institutions	29,812	87,241
Interest paid	(95,796)	(240,196)
Stock repurchase	(193,620)	(728,009)
Sale of repurchased shares	14,169	14,169
Minority interest	(31,093)	(103,370)
Net cash used in financing activities	(355,158)	(1,398,769)
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	(213,858)	(103,239)
Foreign exchange and inflationary effects from international operations	(54,323)	(31,144)
Accumulated cash flow at the end of the period	1,591,522	1,591,522
Less - restricted fund	31,140	31,140
Cash and cash equivalents at end of period balance for operation	1,560,382	1,560,382