Genomma Lab achieves 15.9% Top Line Growth and 26.4% EBITDA Margin in 2013

GENOMMA LAB INTERNACIONAL ANNOUNCES ITS FOURTH QUARTER AND FULL YEAR 2013 AUDITED RESULTS

Mexico City, Mexico –February 26th, 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 and full year ended December 31, 2013. 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).

4Q 2013 Highlights (vs. 4Q 2012)

- Net Sales for the fourth quarter reached Ps. 3.68 billion, increasing 8.5%, compared to the same period of 2012.
- During the fourth quarter, sales from our Mexican operations increased 0.8% to Ps. 2.51 billion, compared to the same quarter of 2012.
- Sales from our international operations increased 30.1% in the fourth quarter to Ps. 1.16 billion, compared to the same quarter of 2012.
- EBITDA increased 15.8% in the fourth quarter to Ps. 1.34 billion, compared to the same period of 2012, representing a 36.5% margin.
- Consolidated Net Income increased 11.5% in the fourth quarter to Ps. 858.4 million, compared to the same quarter of 2012. Earnings per Share[1] for the quarter increased 12.0% to Ps. 1.67, compared to the same period of 2012.
- Cash Conversion Cycle improved 16 days to 138 days as of December 31, 2013, compared to 154 days as of December 31, 2012.

[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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Full Year 2013 Audited Highlights (vs. 2012)

- Net Sales for 2013 reached Ps. 11.36 billion, increasing 15.9%, compared to 2012.
- EBITDA increased 17.3% in 2013 to Ps. 3.00 billion, compared to 2012, representing a 26.4% margin.
- Consolidated Net Income for 2013 increased 12.7% to Ps. 1.81 billion, compared to 2012. Earnings per Share[1] increased 11.9% to Ps. 1.67, compared to 2012.
- Sales from our international operations increased 62.5% during 2013 to Ps. 4.27 billion, compared to 2012.

Comments from the CEO

Mr. Rodrigo Herrera, Chief Executive Officer, mentioned: "Despite the challenges in 2013, Genomma Lab had a good year in terms of its results, strengthening operations both in Mexico and abroad.

The 15.9% year-on-year Net Sales growth was mainly driven by the international operations, where we continued to see positive results from our U.S. initiatives, as well as the positive penetration and expansion of our products in Brazil and the strong performance registered in the rest of the countries where we operate, all of which were in line with expectations. Following our long-term strategy, we have started implementing our acquisitions strategy in the international markets, focusing mainly on the OTC market.

Our Mexican operations had a somewhat difficult year in 2013. We experienced a deceleration in consumption throughout the year, which mainly affected our personal care products' sales. However, our OTC products had a strong performance, proving to be defensive. Also during the year, we made strategic changes and focused on improving the cash conversion cycle, closing the year with 138 days in the cycle and mitigating its volatility.

Given these actions, free cash flow generation improved compared to the previous year. It is important to mention that the Company continues to be very focused on improving its working capital and free cash flow generation.

As we enter 2014, we remain cautious about the expectations for Mexico this year, as we have not seen any recovery in consumption during these first two months of this year. As a result, we are expecting a 15% sales growth for the year and a 26.5% EBITDA margin. Growth will continue to be driven by our international markets, which will expand between 30% and 35% year-on-year, while Mexican Net Sales are expected to increase between 2% and 4% year-on-year. This will bring the Company closer to its goal of having at least 50% of sales coming from the international operations."

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

Consolidated Results of Operations for the Fourth Quarter and Full Year 2013

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 of 2013 are compared to the same period of the previous year:

For the quarter and twelve month periods ended December 31, 2013 and 2012
(In millions of current Mexican Pesos)

	4th Quarter			Full Year		
	2013	2012	%Var	2013	2012	%Var
Net Sales	3,677.5	3,389.1	8.5	11,360.7	9,799.7	15.9
Gross Profit	2,584.2	2,340.7	10.4	7,944.3	6,737.6	17.9
Gross Margin	70.3%	69.1%	1.2	69.9%	68.8%	1.1
EBITDA[1]	1,340.7	1,157.9	15.8	3,001.1	2,558.5	17.3
EBITDA Margin	36.5%	34.2%	2.3	26.4%	26.1%	0.3
Operating Income	1,322.2	1,140.3	16.0	2,936.9	2,492.1	17.8
Operating Income Margin	36.0%	33.6%	2.4	25.9%	25.4%	0.5
Net Income of Majority Shareholders	841.9	752.3	11.9	1,752.5	1,564.9	12.0
Net Income of Majority Shareholders Margin	22.9%	22.2%	0.7	15.4%	16.0%	(0.6)
Weighted average number of shares outstanding	1,048,733,370	1,048,733,370	-	1,048,733,370	1,048,415,780	0.0
EPS (12 months)[2]	1.67	1.49	12.0	1.67	1.49	11.9

[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 December 31, 2013 totaled 1,048,733,370.

Net Sales rose 8.5% to Ps. 3.68 billion in the fourth quarter of 2013, from Ps. 3.39 billion in the fourth quarter of 2012. For the full year, Net Sales rose 15.9% to Ps. 11.36 billion, compared to Ps. 9.80 billion in 2012.

Net Sales by brands are classified as follows:

1) **Base Brands** represent brands launched at least two years prior to the last fiscal year (2011, 2010, 2009 and earlier) in Mexico;
2) **Prior Year Launches** are brands launched during the prior fiscal year (2012) in Mexico;
3) **New Brands** are brands launched during the current fiscal year (2013) 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) a decrease of 13.0% (Ps. 298.2 million) from **Base Brands** in Mexico amounting to Ps. 2.00 billion during the fourth quarter, including line extensions. This decline is explained by a 32.5% decrease in our personal care Base Brands, which was compensated by a 10.5% increase in our pharma* Base Brands in the fourth quarter of 2013, compared to the same quarter of 2012. For the full year 2013, **Base Brands** in Mexico amounted to Ps. 5.86 billion.

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

ii) an increase of 97.1% (Ps. 190.8 million) from **Prior Year Launches** in Mexico during the fourth quarter due to the full year effect, including the recent line extensions of these brands, resulting in sales of Ps. 387.4 million. During 2013 **Prior Year Launches** in Mexico increased 172.2% (Ps. 581.2 million), resulting in Ps. 918.7 million;

iii) Ps. 126.7 million in the fourth quarter of 2013 from **New Brands** in Mexico. During 2013 **New Brands** in Mexico had an income of Ps. 302.8 million; and,

iv) a 30.1% increase (Ps. 269.1 million) from **international** operations, totaling Ps. 1.16 billion in the fourth quarter of 2013. During 2013 **International** operations increased 62.5% (Ps. 1.64 billion) to Ps. 4.27 billion.

Gross Profit increased 10.4% to Ps. 2.58 billion in the fourth quarter of 2013, compared to Ps. 2.34 billion during the fourth quarter of 2012. Gross Margin increased 1.2 percentage points, as a percentage of Net Sales, to 70.3% in the fourth quarter of 2013, compared to 69.1% in the same period of 2012. This increase in margin was mainly due to a better mix of products, with a higher participation of our over-the-counter (OTC) products which, as a percentage of Net Sales, have a lower cost of goods sold.

Gross Profit for the Full Year increased 17.9% to Ps. 7.94 billion, compared to Ps. 6.74 billion during 2012. Gross Margin increased 1.1 percentage points, as a percentage of Net Sales, to 69.9% in 2013, compared to 68.8% in 2012.

Selling, General and Administrative Expenses, as a percentage of Net Sales, decreased 1.0 percentage point to 34.3% in the fourth quarter of 2013, compared to 35.3% in the same period of 2012. This decrease was mainly derived from lower expenses derived from changes in commercial strategies with clients, as well as from lower advertising expenses in our personal care products, given a weak consumption in Mexico.

Selling, General and Administrative Expenses for the Full Year, as a percentage of Net Sales, increased 0.9 percentage points to 44.2%, from 43.3% in 2012. The increase for the full year was mainly derived from higher advertising expenses throughout the year to support the expansion of our international operations, mainly Brazil and the US, in addition to new merchandising expenses made in our Mexican operations to improve the presence of our brands at the point of sale.

EBITDA increased 15.8% to Ps. 1.34 billion in the fourth quarter of 2013, compared to Ps. 1.16 billion in the fourth quarter of 2012. The EBITDA margin increased 2.3 percentage points, as a percentage of Net Sales, to 36.5% in the fourth quarter of 2013, from 34.2% in the same period of 2012. The EBITDA margin increased primarily due to lower cost of goods sold, as a percentage of Net Sales, and lower Selling, General and Administrative Expenses (excluding Depreciation and Amortization), as a percentage of Net Sales.

EBITDA for the Full Year increased 17.3% to Ps. 3.00 billion, compared to Ps. 2.56 billion in 2012. The EBITDA margin increased 0.3 percentage points, as a percentage of Net Sales, to 26.4% in 2013, from 26.1% in 2012.

EBITDA Reconciliation

For the fourth quarter and full year ended December 31, 2013 and 2012
(In millions of current Mexican pesos)

	Fourth Quarter		Full Year	
	2013	**2012**	**2013**	**2012**
Consolidated net income	858.4	769.8	1,810.6	1,606.0
Income tax expense	336.9	332.1	795.0	716.7
Not consolidated subsidiaries (income)	1.2	(5.7)	(11.2)	1.3
Comprehensive financing cost	125.7	44.0	342.5	168.1
Operating income	**1,322.2**	**1,140.3**	**2,936.9**	**2,492.1**
Depreciation and amortization	18.5	17.6	64.2	66.3
EBITDA	**1,340.7**	**1,157.9**	**3,001.1**	**2,558.5**
EBITDA margin	*36.5%*	*34.2%*	*26.4%*	*26.1%*

Operating Income increased 16.0% to Ps. 1.32 billion in the fourth quarter of 2013, compared to Ps. 1.14 billion in the fourth quarter of 2012. Operating Margin, as a percentage of Net Sales, increased 2.4 percentage points, reaching 36.0% in the fourth quarter of 2013, from 33.6% in the same period of 2012.

Operating Income for the Full Year increased 17.8% to Ps. 2.94 billion, compared to Ps. 2.49 billion in 2012. Operating Margin, as a percentage of Net Sales, increased 0.5 percentage points to 25.9% in 2013 from 25.4% in 2012.

Comprehensive Financing Result represented a loss of Ps. 125.7 million in the fourth quarter of 2013, Ps. 81.7 million more than the loss of Ps. 44.0 million recorded in the fourth quarter of 2012. This change was a result of: i) a Foreign Exchange loss amounting to Ps. 55.8 million during the fourth quarter of 2013, compared to a Ps. 1.70 million gain during the same period of 2012; the loss 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 local currencies; ii) an increase of Ps. 16.2 million in Financial Expenses to Ps. 78.3 million during the fourth quarter of 2013, compared to Ps. 62.1 million during the same period of 2012; iii) a lower Interest Income amounting to Ps. 6.7 million during the fourth quarter of 2013, compared to Ps. 18.5 million in the same period of 2012; and, iv) a Ps. 1.7 million gain in the fourth quarter of 2013 related to the Exchange Rate conversion from our foreign operations, compared to a Ps. 2.1 million loss in the same period of 2012.

Comprehensive Financing Result for the Full Year amounted to a loss of Ps. 342.5 million, which represented an increase in such loss of Ps. 174.4 million, compared to a loss of Ps. 168.1 million recorded in 2012. This increase in the loss was mainly due to Financial Expenses related to a higher level of debt.

Consolidated Net Income increased 11.5% to Ps. 858.4 million in the fourth quarter of 2013, representing a margin of 23.3% over Net Sales, compared to Ps. 769.8 million in the fourth quarter of 2012, which represented a margin of 22.7%.

Consolidated Net Income for the Full Year increased 12.7% to Ps. 1.81 billion, representing a margin of 15.9% over Net Sales, compared to Ps. 1.61 billion in 2012, which represented a margin of 16.4%. The consolidated tax rate for the full year 2013 was 30.5%, composed of a 29.2% tax rate in Mexico and a 33.2% tax rate in the international operations.

Balance Sheet

As of December 31, 2013, December 31, 2012 and September 30, 2013
(In millions of current Mexican pesos)

	December 31, 2013	December 31, 2012	Var Dic '13 vs Dic '12	% Var Dic'13 vs Dic'12	September 30, 2013	Var Dic '13 vs Sept '13	% Var Dic'13 vs Sept '13
Balance Sheet Information:							
Cash and Equivalents	**1,767.1**	917.2	850.0	92.7%	1,747.6	19.5	1.1%
Clients	**5,016.1**	4,795.6	220.5	4.6%	4,481.6	534.5	11.9%
Inventories	**1,442.1**	1,032.4	409.7	39.7%	1,504.8	(62.8)	-4.2%
Other current Assets	**1,762.0**	1,470.5	291.4	19.8%	1,381.4	380.6	27.6%
Total Assets	**17,352.9**	12,992.6	4,360.3	33.6%	15,058.1	2,294.8	15.2%
Suppliers	**1,644.1**	1,218.7	425.5	34.9%	1,517.1	127.0	8.4%
Other current Liabilities	**705.1**	1,004.6	(299.5)	-29.8%	820.4	(115.3)	-14.1%
Current portion of debt	**805.0**	406.6	398.4	98.0%	60.7	744.3	1225.8%
Unsecured local bonds	**3,982.1**	-	3,982.1		1,989.5	1,992.6	100.2%
Long-term Loans with financial institutions	**668.7**	3,052.3	(2,383.5)	-78.1%	2,249.2	(1,580.5)	-70.3%
Total Liabilities	**8,517.6**	5,973.8	2,543.8	42.6%	7,068.9	1,448.7	20.5%
Stockholders Equity	**8,835.3**	7,018.8	1,816.5	25.9%	7,989.2	846.1	10.6%
Capital de Trabajo [1]	**6,833.0**	5,992.4	840.6	14.0%	6,777.9	55.1	0.8%
Working Capital less cash	**5,065.9**	5,075.2	(9.3)	-0.2%	5,030.3	35.6	0.7%
Clients days	**159**	176	(17)	-9.8%	146	13	8.9%
Inventories days	**152**	121	31	25.2%	161	(9)	-5.6%
Suppliers days	**173**	143	30	20.9%	162	11	6.9%
Cash Conversion Cycle	**138**	154	(16)	-10.7%	144	(6)	-4.4%

[1] Working Capital consists of current assets minus current liabilities.

Cash and Equivalents increased 92.7% (Ps. 850.0 million) to Ps. 1.77 billion as of December 31, 2013, compared to Ps. 917.2 million as of December 31, 2012. This increase was mainly due to cash generated from our operations during the last twelve months, which was offset by several payments for brand acquisitions, which were also financed with new debt.

Clients amounted to Ps. 5.02 billion as of December 31, 2013, compared to Ps. 4.80 billion as of December 31, 2012. Days of Clients decreased 17 days to 159 days as of December 31, 2013, from 176 days as of December 31, 2012. This improvement is the result of actions taken throughout 2013 to improve commercial policies with our clients, mainly in Mexico, in order to reduce accounts receivable and control seasonality between quarters despite strong international growth.

Inventories amounted to Ps. 1.44 billion as of December 31, 2013, compared to Ps. 1.03 billion as of December 31, 2012. Days of Inventories increased 31 days to 152 days as of December 31, 2013, compared to 121 days as of December 31, 2012. This increase was mostly derived from strong sales in our international operations, which require larger inventories to be prepared for sales given that, notwithstanding that we started working with local suppliers in some of the countries, most of the products are still sent from our Mexican suppliers.

Other Current Assets amounted to Ps. 1.76 billion as of December 31, 2013, from Ps. 1.47 billion as of December 31, 2012. This increase was mainly derived from taxes in favor of the Company that will be compensated in 2014.

Total Assets amounted to Ps. 17.4 billion as of December 31, 2013, compared to Ps. 13.0 billion as of December 31, 2012. This increase is partly derived from the brand acquisitions made in our international operations during the fourth quarter, which will start adding revenues in 2015.

Suppliers amounted to Ps. 1.64 billion as of December 31, 2013, compared to Ps. 1.22 billion as of December 31, 2012. Days of Suppliers increased 30 days to 173 as of December 31, 2013, from 143 days as of December 31, 2012. This increase is in line with the increase in inventories. In addition, the Company has continued to improve its relationships with suppliers outside of Mexico by increasing volume and scale, which has resulted in longer terms for the Company.

Other Current Liabilities amounted to Ps. 705.1 million as of December 31, 2013, from Ps. 1.00 billion as of December 31, 2012.

Loans with Financial Institutions amounted to Ps. 1.47 billion as of December 31, 2013, compared to Ps. 3.46 billion as of December 31, 2012. The current portion of long term debt amounted to Ps. 805.0 million, which represents 54.6% of the total debt with financial institutions. In the fourth quarter, debt was raised to finance the two latest acquisitions made by the Company, both of which were made in its international operations.

Unsecured debt certificates ("Certificados Bursátiles") amounted to Ps. 3.98 billion as of December 31, 2013. The second tranche of the bond was issued on October 3rd, 2013, and the resources obtained, similar to the first issuance, were used to prepay existing debt with financial institutions, while improving the Company's debt maturity profile to 4.4 years and decreasing its cost.

As of December 31, 2013 the Gross Debt with cost of the Company amounted to Ps. 5.46 billion, which represents a Net Debt to EBITDA ratio of 1.23.

Cash Conversion Cycle reached 138 days at the end of the fourth quarter of 2013, which represents a decrease of 16 days compared to the 154 days at the end of the same period of 2012 and a decrease of 6 days when compared to the third quarter of 2013. The Company has been focusing on improving and reducing the volatility of its cash conversion cycle, taking significant steps throughout 2013 to achieve this. Results have been positive so far, and we will continue working on further improvements.

Operations Summary

Net Sales Segmentation for the Fourth Quarter and Full Year 2013

During the fourth quarter of 2013, Mexican sales represented 68.4% of total sales, and international sales represented 31.6%. For the full year, Mexican sales and international sales represented 62.4% and 37.6%, respectively.

Net Sales of our Mexican operations increased 0.8% to Ps. 2.51 billion during the fourth quarter of 2013, compared to Ps. 2.49 billion during the same period of 2012.

During the fourth quarter of 2013, pharmaceutical products[1] represented 60.1% of our Mexican sales, while the personal care products[2] represented 39.9%. For the full year, pharmaceutical products represented 59.4% of Mexican sales, while personal care products represented 40.6%.

Net Sales of our pharmaceutical products in Mexico[1] increased 33.1% to Ps. 1.51 billion during the fourth quarter of 2013, compared to the same period of 2012. For the full year, Net Sales of pharmaceutical products in Mexico increased 27.0% to Ps. 4.21 billion, compared to 2012.

Net Sales of our personal care products in Mexico decreased 26.2% in the fourth quarter of 2013 to Ps. 1.00 billion, compared to the same period of 2012. For the full year, Net Sales of personal care products amounted to Ps. 2.88 billion.

Net Sales from our international operations increased 30.1% to Ps. 1.16 billion for the fourth quarter of 2013, compared to Ps. 894.2 million for the same period of 2012.

(In millions of current Mexican Pesos)

	4Q13			4Q12			
	Pharma*	PC	Total 4Q13	Pharma*	PC	Total 4Q12	%Var
Mexico	1,509.9	1,004.4	**2,514.2**	1,134.4	1,360.6	**2,494.9**	0.8%
International	288.0	875.2	**1,163.3**	77.5	816.6	**894.2**	30.1%
TOTAL	**1,797.9**	**1,879.6**	**3,677.5**	**1,211.9**	**2,177.2**	**3,389.1**	**8.5%**

	Full Year 2013			Full Year 2012			
	Pharma*	PC	Total 2013	Pharma*	PC	Total 2012	%Var
Mexico	4,210.1	2,875.8	**7,085.9**	3,314.2	3,855.2	**7,169.3**	-1.2%
International	1,100.3	3,174.5	**4,274.8**	286.6	2,343.7	**2,630.4**	62.5%
TOTAL	**5,310.4**	**6,050.3**	**11,360.7**	**3,600.8**	**6,198.9**	**9,799.7**	**15.9%**

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

[1] Pharmaceutical products: include 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.

New Product Launches and Line Extensions

During the fourth quarter of 2013, the Company launched 26 line extensions from our **Base Brands** and **Prior Year Launches,** and 14 new products under **New Brands.** Some of the products recently launched are:

Sistema GB for women, a line extension of our hair care brand *Sistema GB*. This treatment is composed of three products: a solution and shampoo 1 and 2, which work together to prevent androgenic alopecia, stop hair loss, thicken hair and regenerate follicle.

Cicatricure Elixir Anti-aging, a line extension of our skin care brand *Cicatricure,* a lotion that brings an immediate and lasting tightening effect, reducing expression wrinkles by inhibiting muscular contractions.

Estomacurol, a brand acquired in 2013, which was recently re-launched, is an antacid that brings relief for symptoms caused by indigestion and efficiently protects intestinal mucus.

Other Corporate Events

- On January 13, 2014, Genomma Lab announced the acquisition of two packages of OTC brands in its international operations:
  - The first package of brands was acquired from McNEIL-PPC Inc, a subsidiary of Johnson & Johnson, and includes the following brands: **Agarol®, Kaopectate®, Masse®, Triatop®, Emplastro Sabia®, Bebederm®, Carlo Erba®** and **Dulcoryl®**, which have presence in several of the following countries: Brazil, Mexico, Colombia, Ecuador, Peru, Panama, Guatemala, Honduras, El Salvador and Uruguay. With this transaction, Genomma Lab will extend its presence to the anti-diarrheic and laxative OTC categories, and will strengthen its presence in the anti-dandruff shampoos, anti-rheumatics, and adult and baby skin care categories.
  - Through the second package, the Company has acquired the right, subjected to certain standard conditions, to acquire 15 brands and 30 sanitary registrations of OTC products in Brazil in the anti-flu drugs, anti-acids, anti-micotics and multi-vitamins categories, among others, as well as a pharmaceutical production facility. Genomma Lab will exercise this right once the facility has been released from its respective manufacturing contracts.

  The amount paid for these acquisitions was Ps. 1.62 billion, which represented a multiple of 3.4 times sales.

- During the fourth quarter, Genomma Lab was ratified as one of the stocks which compose the IPC Index and IPC Sustainability Indices in the Mexican Stock Exchange, as well as part of the Morgan Stanley Composite Index (MSCI).

Analyst Coverage

Actinver Casa de Bolsa S.A. de C.V.; Banco Itaú BBA, S.A.; BBVA Bancomer, S.A. Institución de Banca Múltiple; BTG Pactual US Capital LLC; Casa de Bolsa Credit Suisse S.A.; GBM Grupo Bursátil Mexicano, S.A. de C.V. Casa de Bolsa; Grupo Financiero Banorte; Grupo Financiero Monex; 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.; IXE Casa de Bolsa S.A. de C.V. J.P. Morgan 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.

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.

Income Statement

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

For the three and twelve month periods ended on December 31, 2013 and 2012

(In thousands of current Mexican pesos)

	FOURTH QUARTER		VAR	ACCUMULATED		VAR
	2013	2012	%	2013	2012	%
Net Sales	3,677,527	3,389,088	8.5%	11,360,689	9,799,690	15.9%
Cost of goods sold	1,093,377	1,048,392	4.3%	3,416,363	3,062,130	11.6%
Gross Income	**2,584,150**	**2,340,696**	**10.4%**	**7,944,326**	**6,737,560**	**17.9%**
Selling, general and administrative expenses	1,243,827	1,178,267	5.6%	4,952,906	4,178,691	18.5%
Other expenses	11	5,143	(99.8%)	477	6,123	(92.2%)
Other income	375	601	(37.6%)	10,195	5,721	78.2%
EBITDA	**1,340,687**	**1,157,887**	**15.8%**	**3,001,138**	**2,558,467**	**17.3%**
Depreciation and amortization	18,461	17,602	4.9%	64,244	66,346	(3.2%)
Income form Operations	**1,322,226**	**1,140,285**	**16.0%**	**2,936,894**	**2,492,121**	**17.8%**
Interest expense	(78,320)	(62,058)	26.2%	(298,469)	(167,521)	78.2%
Interest income	6,694	18,453	(63.7%)	12,847	41,651	(69.2%)
Exchange expense	(54,082)	(383)	14020.6%	(56,921)	(42,250)	34.7%
Comprehensive financing income (cost)	**(125,708)**	**(43,988)**	**185.8%**	**(342,543)**	**(168,120)**	**103.7%**
Associated company	(1,244)	5,657	(122.0%)	11,244	(1,310)	(958.3%)
Income before income taxes	**1,195,274**	**1,101,954**	**8.5%**	**2,605,595**	**2,322,691**	**12.2%**
Income tax expense	336,912	332,109	1.4%	794,983	716,723	10.9%
Consolidated Net Income	**858,362**	**769,845**	**11.5%**	**1,810,612**	**1,605,968**	**12.7%**
Net income of minority stockholders	16,433	17,589	(6.6%)	58,144	41,032	41.7%
Net income of majority stockholders	**841,929**	**752,256**	**11.9%**	**1,752,468**	**1,564,936**	**12.0%**
Conversion result from foreign currencies	503	7,750	(93.5%)	8,139	(60,932)	(113.4%)
Comprehensive Income	**842,432**	**760,006**	**10.8%**	**1,760,607**	**1,504,004**	**17.1%**

Balance Sheet

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

As of December 31, 2013, December 31, 2012 and September 30, 2013

(In thousands of current Mexican Pesos)

	DECEMBER		VARIATION		SEPTEMBER	VARIATION	
ASSETS	**2013**	**2012**	**DEC-12**	**%**	**2013**	**SEP-13**	**%**
Current assets							
Cash and equivalents	1,759,019	884,416	874,603	99%	1,738,883	20,136	1%
Restricted fund	8,126	32,750	(24,624)	(75%)	8,733	(607)	(7%)
Clients - Net	5,016,080	4,795,560	220,520	5%	4,481,578	534,502	12%
Others accounts receivable	584,349	275,653	308,696	112%	403,558	180,791	45%
Due from related parties	93,126	195,624	(102,498)	(52%)	110,919	(17,793)	(16%)
Inventory - Net	1,442,056	1,032,400	409,656	40%	1,504,846	(62,790)	(4%)
Prepaid expenses	1,084,498	999,261	85,237	9%	866,904	217,594	25%
Total current assets	**9,987,254**	**8,215,664**	**1,771,590**	**22%**	**9,115,421**	**871,833**	**10%**
Non-current assets							
Trademarks	6,110,114	3,382,239	2,727,875	81%	4,686,995	1,423,119	30%
Investments in associated company	17,681	5,680	12,001	211%	19,046	(1,365)	(7%)
Building, properties and equipment – Net	408,383	403,588	4,795	1%	387,103	21,280	5%
Deferred income tax	37,641	14,092	23,549	167%	49,879	(12,238)	(25%)
Other assets - Net	791,796	971,327	(179,531)	(18%)	799,631	(7,835)	(1%)
Total non-current assets	**7,365,615**	**4,776,926**	**2,588,689**	**54%**	**5,942,654**	**1,422,961**	**24%**
Total assets	**17,352,869**	**12,992,590**	**4,360,279**	**34%**	**15,058,075**	**2,294,794**	**15%**
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Short term loans with financial institutions	722,526	-	722,526	100%	-	722,526	100%
Current portion of long term loans w/ financial institutions	82,499	406,621	(324,122)	(80%)	60,721	21,778	36%
Trade accounts payable	1,644,125	1,218,663	425,462	35%	1,517,129	126,996	8%
Due to related parties	-	9,480	(9,480)	(100%)	-	-	-
Other current liabilities	664,144	909,060	(244,916)	(27%)	754,386	(90,242)	(12%)
Income tax payable	30,881	82,966	(52,085)	(63%)	60,874	(29,993)	(49%)
Statutory employee profit sharing	9,911	3,110	6,801	219%	5,109	4,802	94%
Total current liabilities	**3,154,086**	**2,629,900**	**524,186**	**20%**	**2,398,219**	**755,867**	**32%**
Non-current liabilities							
Long-term debt securities	3,982,107	-	3,982,107	100%	1,989,479	1,992,628	100%
Long-term loans with financial institutions	668,745	3,052,275	(2,383,530)	(78%)	2,249,201	(1,580,456)	(70%)
Other long term liabilities	50,181	60,562	(10,381)	(17%)	49,063	1,118	2%
Deferred income tax	660,416	229,370	431,046	188%	380,789	279,627	73%
Employee retirement obligations	1,889	1,659	230	14%	2,124	(235)	(11%)
Total liabilities	**8,517,424**	**5,973,766**	**2,543,658**	**43%**	**7,068,875**	**1,448,549**	**20%**
Stockholders' equity							
Capital stock	1,914,306	1,921,660	(7,354)	(0%)	1,921,660	(7,354)	(0%)
Retained earnings	5,066,538	3,592,019	1,474,519	41%	5,156,955	(90,417)	(2%)
Net income	1,752,468	1,564,936	187,532	12%	910,539	841,929	92%
Cumulative translation effects of foreing subsidiaries	12,835	4,695	8,140	173%	12,332	503	4%
Share buy back fund	(74,621)	(159,952)	85,331	(53%)	(160,350)	85,729	(53%)
Net premium in placement of repurchased shares	39,749	39,749	-	-	39,749	-	-
Minority interest	124,170	55,717	68,453	123%	108,315	15,855	15%
Total stockholders' equity	**8,835,445**	**7,018,824**	**1,816,621**	**26%**	**7,989,200**	**846,245**	**11%**
Total equity and liabilities	**17,352,869**	**12,992,590**	**4,360,279**	**34%**	**15,058,075**	**2,294,794**	**15%**

Cash Flow

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

For the three months and year ended on December 31, 2013

(In thousands of current Mexican pesos)

	DECEMBER 2013	
	4th QUARTER	ACCUMULATED
Cash and cash equivalents beginning of period	**1,747,616**	**917,167**
Consolidated Net Income	**858,360**	**1,810,611**
Charges to results with no cash flow:		
Depreciation and amortization	18,461	64,243
Income tax	336,913	794,983
Accrued interest and others	71,816	257,229
	1,285,550	**2,927,066**
Changes in Working Capital:		
Clients - Net	(534,518)	(220,508)
Inventories	62,790	(409,656)
Suppliers	126,792	425,458
Other current assets	(351,017)	(499,380)
Payed income tax	(90,731)	(262,316)
Other current liabilities	(69,914)	(89,916)
	(856,598)	**(1,056,318)**
Net cash generated (used) in operating activities	**428,952**	**1,870,748**
Investing activities:		
Investment in fixed assets	(14,695)	(40,887)
Sales of equipment	141	9,574
Brand acquisitions and others	(1,463,271)	(2,688,732)
Others assets acquisitions	30	(2,202)
Net cash generated (used) in investing activities	**(1,477,795)**	**(2,722,247)**
Financing activities:		
Payments of borrowings with financial institutions	(1,755,030)	(3,784,457)
Loans with financial and securities institutions	2,929,503	5,822,171
Interest paid	(75,076)	(277,997)
Stock repurchase	(559)	(2,763)
Minority interest	(577)	10,310
Net cash used in financing activities	**1,098,261**	**1,767,264**
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects efectivo	**49,418**	**915,765**
Foreign exchange and inflationary effects from international operations	(29,888)	(65,787)
Accumulated cash flow at the end of the period	**1,767,146**	**1,767,145**
Less - restricted fund	8,126	8,126
Cash and cash equivalents at end of period balance for operation	**1,759,020**	**1,759,019**