



GENOMMA LAB INTERNACIONAL ANNOUNCES ITS FOURTH QUARTER AND FULL YEAR 2014 AUDITED RESULTS

Mexico City, Mexico –February 26th, 2015

Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB.B) (“Genomma Lab” or “the Company”), announced today its results for the fourth quarter and full year ended December 31, 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).

4Q 2014 Highlights (vs. 4Q 2013)

- Net Sales for the fourth quarter reached Ps. 2.84 billion, decreasing 22.7%, compared to the same period of 2013.
- During the fourth quarter, sales from our Mexican operations reached Ps. 1.42 billion.
- Sales from our international operations increased 22.1% in the fourth quarter to Ps. 1.42 billion, compared to the same quarter of 2013.
- The EBITDA margin for the quarter was 24.7%, totaling Ps. 703.3 million, compared to a 36.5% margin in the same quarter of 2013.
- Consolidated Net Income for the fourth quarter reached Ps. 514.2 million, representing a margin of 18.1%. Earnings per Share¹ for the quarter amounted to Ps. 1.38, compared to Ps. 1.67 in the same period of 2013.
- Cash Conversion Cycle improved four days to 134 days as of December 31, 2014, compared to 138 days as of December 31, 2013.

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

Contact:

Investor Relations

Tel: +52 (55) 5081-0000 Ext. 5106

E-mail: inversion@genommalab.com

In New York: Grayling USA, Lucía Domville

Tel: +1 (646) 284-9416

E-mail: genommalab@grayling.com



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab[®]
Internacional

Full Year 2014 Audited Highlights (vs. 2013)

- Net Sales for 2014 reached Ps. 11.54 billion, increasing 1.6% when compared to 2013.
- EBITDA in 2014 reached Ps. 2.54 billion, representing a 22.0% margin.
- Consolidated Net Income for 2014 amounted to Ps. 1.51 billion, representing a margin of 13.1%. Earnings per Share¹ reached Ps. 1.38.
- During 2014 sales from our international operations increased 27.1% to Ps. 5.43 billion, compared to 2013.

Comments from the CEO

Mr. Rodrigo Herrera, Chief Executive Officer, mentioned: "2014 was a very challenging year for Genomma Lab.

In Mexico, the decline in the OTC market in the fourth quarter and the weakness in consumption throughout the year had a significant effect on our Net Sales.

On the other hand, our international operations behaved strongly throughout the year. The USA, Chile, Brazil and Dominican Republic posted the strongest growth rates. The remaining countries in which the Company operates recorded results that were in line with our expectations.

During 2014 we made relevant decisions for the future performance of the Company. First, we reconfigured our operations, making Mexico another *Business Unit*. This goes in line with our vision of becoming a more global company.

Another important step in that same direction was the implementation of a new commercial strategy, which, among other things, will allow us to further penetrate the traditional channel. Furthermore, in the long-run, this strategy will help us increase sales, improve margins and reduce the number of days in our cash conversion cycle, which, altogether, will result in a higher free cash flow generation.

As we move ahead into 2015, we are cautious in terms of our expectations. We are confident about the implementation of the strategies mentioned as they will bring additional value to the Company, increasing its profitability and free cash flow generation. We remain positive that we are building a strong Company that will become one of the top players in the global OTC and PC market."

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



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab[®]
Internacional

Consolidated Results of Operations for the Fourth Quarter and Full Year 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 in the previous year:

For the fourth quarter and twelve month periods ended December 31, 2014 and 2013

(In millions of current Mexican Pesos)

	4th Quarter			January to December		
	2014	2013	%Var	2014	2013	%Var
Net Sales	2,843.3	3,677.5	(22.7)	11,541.0	11,360.7	1.6
Gross Profit	1,978.8	2,584.2	(23.4)	8,002.2	7,944.3	0.7
Gross Margin	69.6%	70.3%	(0.7)	69.3%	69.9%	(0.6)
EBITDA ¹	703.3	1,340.7	(47.5)	2,543.1	3,001.1	(15.3)
EBITDA Margin	24.7%	36.5%	(11.8)	22.0%	26.4%	(4.4)
Operating Income	674.4	1,322.2	(49.0)	2,445.1	2,936.9	(16.7)
Operating Income Margin	23.7%	36.0%	(12.3)	21.2%	25.9%	(4.7)
Net Income of Majority Shareholders	510.6	841.9	(39.4)	1,444.6	1,752.5	(17.6)
Net Income of Majority Shareholders Margin	18.0%	22.9%	(4.9)	12.5%	15.4%	(2.9)
Weighted average number of shares outstanding	1,047,968,066	1,048,733,370	(0.1)	1,048,493,217	1,048,733,370	(0.0)
EPS (12 months) ²	1.38	1.67	(17.5)	1.38	1.67	(17.6)

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, 2014 totaled 1,046,859,370.

Net Sales declined 22.7% to Ps. 2.84 billion in the fourth quarter of 2014, from Ps. 3.68 billion in the fourth quarter of 2013. For the full year, Net Sales rose 1.6% to Ps. 11.54 billion, compared to Ps. 11.36 billion in 2013.

The decrease in sales in the quarter was due to our Mexican operations and is mainly explained by a decline in the OTC market, related to the exit of one of the top wholesalers from the pharmaceutical distribution industry. Net Sales in Mexico were also impacted by the weak consumption in the country, which affected our personal care sales. These effects were magnified by the seasonality of the year, as typically the fourth quarter represents more than 35% of the sales.

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.



Fourth Quarter and Full Year 2014 Audited Results Genomma Lab[®] Internacional

The decrease in Net Sales resulted from a combination of the following factors:

- i) a decrease of 44.6% (Ps. 1.07 billion) from **Base Brands** in Mexico amounting to Ps. 1.32 billion during the fourth quarter, including line extensions. For the full year 2014, **Base Brands** in Mexico amounted to Ps. 5.57 billion.
- ii) a decrease of 25.7% (Ps. 32.5 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. 94.1 million. During 2014 **Prior Year Launches** in Mexico increased 68.8% (Ps. 208.3 million), totaling Ps. 511.2 million;
- iii) Ps. 6.7 million in the fourth quarter of 2014 from **New Brands** in Mexico. During 2014 **New Brands** in Mexico amounted to Ps. 23.4 million; and,
- iv) a 22.1% increase (Ps. 257.4 million) from **international** operations, totaling Ps. 1.42 billion in the fourth quarter of 2014. During 2014 **International** operations increased 27.1% (Ps. 1.16 billion) to Ps. 5.43 billion. It is important to mention that the weighted international growth rate, in local currency, was 38.5%. The main foreign exchange effect came from Brazil and Argentina.

Gross Profit amounted to Ps. 1.98 billion in the fourth quarter of 2014, compared to Ps. 2.58 billion during the fourth quarter of 2013. Gross Margin decreased 0.70 percentage points, as a percentage of Net Sales, to 69.6% in the fourth quarter of 2014, compared to 70.3% in the same period of 2013. The margin decrease was mainly due to a temporary reduction in the price of certain products, derived from an aggressive pricing strategy offered by our competitors in these product categories.

Gross Profit for the Full Year increased 0.7% to Ps. 8.00 billion, compared to Ps. 7.94 billion during 2013. Gross Margin decreased 0.60 percentage points, as a percentage of Net Sales, to 69.3% in 2014, compared to 69.9% in 2013.

Selling, General and Administrative Expenses, as a percentage of Net Sales, reached 45.7% in the fourth quarter of 2014, compared to 34.3% in the same period of 2013. This increase was mainly derived from higher advertising and commercial expenses, as a percentage of Net Sales, as sales in the fourth quarter, which is typically the strongest quarter, were lower than expected; in addition to non recurring expenses during the fourth quarter related to organizational changes made during that quarter.

Selling, General and Administrative Expenses for the Full Year, as a percentage of Net Sales, amounted to 48.3%, compared to 44.2% in 2013.

EBITDA in the fourth quarter of 2014 amounted to Ps. 703.3 million, compared to Ps. 1.34 billion in the fourth quarter of 2013. The EBITDA margin, as a percentage of Net Sales, reached 24.7% in the fourth quarter of 2014, compared to 36.5% in the same period of 2013. The EBITDA margin decreased primarily due to higher cost of goods sold, as a percentage of Net Sales, and higher Selling, General and Administrative Expenses (excluding Depreciation and Amortization), as a percentage of Net Sales.

EBITDA for the Full Year reached Ps. 2.54 billion, representing a margin of 22.0%, compared to Ps. 3.00 billion in 2013, which represented a margin of 26.4%.



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab[®]
Internacional

EBITDA Reconciliation

For the fourth quarter and full year ended December 31, 2014 and 2013
(In millions of current Mexican pesos)

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Consolidated net income	514.2	858.4	1,507.1	1,810.6
Discontinued operations (income)	(12.9)	-	(12.9)	-
Income tax expense	170.4	336.9	623.6	795.0
Not consolidated subsidiaries (income)	9.2	1.2	11.7	(11.2)
Comprehensive financing cost (income)	(6.5)	125.7	315.7	342.5
Operating income	674.4	1,322.2	2,445.1	2,936.9
Depreciation and amortization	28.8	18.5	98.0	64.2
EBITDA	703.3	1,340.7	2,543.1	3,001.1
EBITDA margin	24.7%	36.5%	22.0%	26.4%

Operating Income amounted to Ps. 674.4 million in the fourth quarter of 2014, compared to Ps. 1.32 billion in the fourth quarter of 2013. Operating Margin, as a percentage of Net Sales, was 23.7% in the fourth quarter of 2014, compared to 36.0% in the same period of 2013.

Operating Income for the Full Year reached Ps. 2.44 billion, compared to Ps. 2.94 billion in 2013. Operating Margin, as a percentage of Net Sales, amounted to 21.2% in 2014, compared to 25.9% in 2013.

Comprehensive Financing Result represented a gain of Ps. 6.5 million in the fourth quarter of 2014, which is Ps. 132.2 million more than the loss of Ps. 125.7 million recorded in the fourth quarter of 2013. This change was a result of: i) a Foreign Exchange gain amounting to Ps. 133.9 million during the fourth quarter of 2014, compared to a Ps. 55.8 million loss 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 local currencies; ii) an increase of Ps. 12.4 million in Financial Expenses to Ps. 90.8 million during the fourth quarter of 2014, compared to Ps. 78.3 million during the same period of 2013; iii) a lower Interest Income amounting to Ps. 3.9 million during the fourth quarter of 2014, compared to Ps. 6.7 million in the same period of 2013; and, iv) a Ps. 40.5 million loss in the fourth quarter of 2014 related to the Exchange Rate conversion from our foreign operations, compared to a Ps. 1.7 million gain in the same period of 2013.

Comprehensive Financing Result for the Full Year amounted to a loss of Ps. 315.7 million, which represented a decrease of Ps. 26.9 million, compared to a loss of Ps. 342.5 million recorded in 2013.

Consolidated Net Income amounted to Ps. 514.2 million in the fourth quarter of 2014, representing a margin of 18.1% over Net Sales, compared to Ps. 858.4 million in the fourth quarter of 2013, which represented a margin of 23.3%.

Consolidated Net Income for the Full Year amounted to Ps. 1.51 billion, representing a margin of 13.1% over Net Sales, compared to Ps. 1.81 billion in 2013, which represented a margin of 15.9%.



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab
Internacional

The consolidated tax rate for the full year 2014 was 29.4%, consisting of a 23.9% tax rate in Mexico and a 34.1% tax rate in the international operations.

Balance Sheet

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

	December 31, 2014	December 31, 2013	Var Dec '14 vs Dec '13	% Var Dec '14 vs Dec '13	September 30, 2014	Var Dec '14 vs Sept '14	% Var Dec '14 vs Sept '14
Balance Sheet Information:							
Cash and Equivalents	1,182.3	1,767.1	(584.8)	-33.1%	1,345.6	(163.3)	-12.1%
Clients	4,164.3	5,016.1	(851.8)	-17.0%	5,750.9	(1,586.6)	-27.6%
Inventories	1,595.0	1,442.1	153.0	10.6%	1,162.0	433.0	37.3%
Other current Assets	10,196.6	1,762.0	8,434.6	478.7%	1,962.1	8,234.5	419.7%
Total Assets	25,031.1	17,352.9	7,678.2	44.2%	18,594.9	6,436.2	34.6%
Suppliers	1,554.7	1,644.1	(89.4)	-5.4%	1,490.3	64.4	4.3%
Other current Liabilities	5,640.6	705.1	4,935.5	700.0%	836.4	4,804.2	574.4%
Current portion of debt	400.6	805.0	(404.4)	-50.2%	337.5	63.1	18.7%
Unsecured local bonds	5,481.7	3,982.1	1,499.6	37.7%	3,985.4	1,496.3	37.5%
Long-term Loans with financial institutions	1,023.6	668.7	354.9	53.1%	1,752.4	(728.8)	-41.6%
Total Liabilities	14,925.2	8,517.6	6,407.6	75.2%	9,116.1	5,809.1	63.7%
Stockholders Equity	10,105.9	8,835.3	1,270.6	14.4%	9,478.8	627.1	6.6%
Working Capital ⁽¹⁾	9,542.3	6,833.0	2,709.3	39.7%	7,556.4	1,986.0	26.3%
Working Capital less cash	8,360.0	5,065.9	3,294.2	65.0%	6,210.8	2,149.3	34.6%
Clients days	130	159	(29)	-18.3%	167	(37)	-22.2%
Inventories days	162	152	10	6.8%	111	51	46.2%
Suppliers days	158	173	(15)	-8.7%	142	16	11.4%
Cash Conversion Cycle	134	138	(4)	-2.7%	136	(2)	-1.5%

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

Cash and Equivalents amounted to Ps. 1.18 billion as of December 31, 2014, compared to Ps. 1.77 billion as of December 31, 2013. This decrease was mainly due to payments for brand acquisitions amounting to Ps. 2.09 billion, which were partially financed with new debt. The decrease was offset by cash generated from our operations during the last twelve months.

Clients amounted to Ps. 4.16 billion as of December 31, 2014, compared to Ps. 5.02 billion as of December 31, 2013. Days of Clients decreased 29 days to 130 days as of December 31, 2014, from 159 days as of December 31, 2013. This improvement resulted from the continuous actions implemented to maintain healthy levels of Accounts Receivable with our clients both in Mexico and in our international operations.

Inventories amounted to Ps. 1.60 billion as of December 31, 2014, compared to Ps. 1.44 billion as of December 31, 2013. Days of Inventories increased 10 days to 162 days as of December 31, 2014, compared to 152 days as of December 31, 2013. This increase was mostly derived from building inventories as we expected stronger sales, mainly in Mexico and Brazil.

Other Current Assets amounted to Ps. 10.20 billion as of December 31, 2014, from Ps. 1.76 billion as of December 31, 2013. This increase is mainly derived from the acquisition of Marzam. It is important to highlight that part of these assets will be sold to third parties during 2015 and the Company will keep its participation as a minority shareholder.



Fourth Quarter and Full Year 2014 Audited Results

Total Assets amounted to Ps. 25.03 billion as of December 31, 2014, compared to Ps. 17.35 billion as of December 31, 2013.

Suppliers amounted to Ps. 1.55 billion as of December 31, 2014, compared to Ps. 1.64 billion as of December 31, 2013. Days of Suppliers decreased 15 days to 158 as of December 31, 2014, from 173 days as of December 31, 2013. This decrease is mainly due to higher levels of production in the international operations with additional suppliers, with whom we are starting to build relationships in order to increase days going forward, as we expand and strengthen our network of suppliers in the international operations.

Other Current Liabilities amounted to Ps. 5.64 billion as of December 31, 2014, from Ps. 705.1 million as of December 31, 2013. This increase is mainly explained by the integration of Marzam's liabilities as "liabilities available for sale".

Loans with Financial Institutions amounted to Ps. 1.42 billion as of December 31, 2014, compared to Ps. 1.47 billion as of December 31, 2013. The current portion of long term debt amounted to Ps. 400.6 million, which represents 28.1% of the total debt with financial institutions.

Unsecured debt certificates ("Certificados Bursátiles") amounted to Ps. 5.48 billion as of December 31, 2014, compared to Ps. 3.98 billion in the same period of 2013. The third tranche of the bond was issued on November 28, 2014, and the resources obtained, similar to the first two issuances, were used to prepay existing debt with financial institutions, while improving the Company's debt maturity profile to 3.7 years and decreasing its cost.

As of December 31, 2014 the Gross Debt with cost of the Company amounted to Ps. 6.91 billion, which represents a Net Debt to EBITDA ratio of 2.25, compared to Ps. 5.46 billion as of December 31, 2013. The additional debt was used to finance the acquisition of Marzam.

Cash Conversion Cycle reached 134 days at the end of the fourth quarter of 2014, which represents a decrease of four days compared to the 138 days at the end of the same period of 2013, and a decrease of two days compared to the third quarter of 2014. The Company's focus on improving cash conversion cycle has had positive and continuous results, closing the year with a lower number than the 145 days given in our guidance.

Operations Summary

Net Sales Segmentation for the Fourth Quarter and Full Year 2014

During the fourth quarter of 2014, Mexican sales represented 50.0% of total sales, and international sales represented the other 50.0%. For the full year, Mexican sales and international sales represented 52.9% and 47.1%, respectively.

Net Sales of our Mexican operations decreased 43.4% to Ps. 1.42 billion during the fourth quarter of 2014, compared to Ps. 2.51 billion during the same period of 2013.

During the fourth quarter of 2014, pharmaceutical products¹ represented 66.7% of our Mexican sales, while the personal care products² represented 33.3%. For the full year, pharmaceutical products represented 63.5% of Mexican sales, while personal care products represented 36.5%.



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab®
Internacional

Net Sales of our pharmaceutical products in Mexico¹ decreased 37.2% to Ps. 948.5 million during the fourth quarter of 2014, compared to the same period of 2013. For the full year, Net Sales of pharmaceutical products in Mexico decreased 7.9% to Ps. 3.88 billion, compared to 2013.

Net Sales of our personal care products in Mexico decreased 52.8% in the fourth quarter of 2014 to Ps. 474.2 million, compared to the same period of 2013. For the full year, Net Sales of personal care products amounted to Ps. 2.23 billion, a 22.4% decrease from 2013.

Net Sales from our international operations increased 22.1% to Ps. 1.42 billion for the fourth quarter of 2014, compared to Ps. 1.16 billion for the same period of 2013. For the full year, Net Sales from our international operations increased 27.1% to Ps. 5.43 billion, compared to 2013.

(In millions of current Mexican Pesos)

	4Q14			4Q13			%Var
	Pharma*	PC	Total 4Q14	Pharma*	PC	Total 4Q13	
Mexico	948.5	474.2	1,422.6	1,509.9	1,004.4	2,514.2	-43.4%
International	474.1	946.6	1,420.7	288.0	875.2	1,163.3	22.1%
TOTAL	1,422.6	1,420.8	2,843.3	1,797.9	1,879.6	3,677.5	-22.7%

	Full Year 2014			Full Year 2013			%Var
	Pharma*	PC	Total 2014	Pharma*	PC	Total 2013	
Mexico	3,876.2	2,232.0	6,108.2	4,210.1	2,875.8	7,085.9	-13.8%
International	1,656.3	3,776.5	5,432.8	1,100.3	3,174.5	4,274.8	27.1%
TOTAL	5,532.5	6,008.5	11,541.0	5,310.4	6,050.3	11,360.7	1.6%

* 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.

² Personal care products: include only personal care products in Mexico.



Fourth Quarter and Full Year 2014 Audited Results

New Product Launches and Line Extensions

During the fourth quarter of 2014, the Company launched 16 line extensions from our **Base Brands** and **Prior Year Launches**, and 6 new products under **New Brands**. Some of the products recently launched are:

Vanart (sachets), a line extension of our shampoo brand called **Vanart**, which was acquired in 2010. This brand, dedicated to hair care since 1952, has unique ingredients and formulas as well as a great tradition and strong quality. Its new presentation and image is fresh, convenient and ideal for the entire family.

Triatop, a brand acquired in 2013, is being re-launched to the market with a new image. **Triatop** is an anti-dandruff shampoo with a formula containing a strong molecule composed by two active ingredients that are highly specialized in fighting the fungus that causes dandruff: **Salicylic Acid**, which regulates the PH and grease generation, and **Zinc Pyrithione**, a powerful anti-dandruff agent that strengthens the functionality of the active ingredients to attack the problem from the root.

Condomes Up's, is a line of condoms, which has been proven electronically and has three different presentations. When used adequately, they may reduce the risk of sexually transmitted diseases and help in preventing pregnancy.

Full Year 2014 Marzam Highlights (vs. 2013)

- Net Sales for 2014 reached Ps. 13.68 billion pesos, increasing 33.9% when compared to 2013.
- EBITDA in 2014 reached Ps. 209.9 million pesos, representing a 1.5% margin.
- The cash conversion cycle for the year was 65 days.

Other Corporate Events

- **Guidance 2015:** we are taking a conservative approach for the projection of our 2015 numbers, considering the weakness in consumption in Mexico; therefore, we are expecting a 5.2% Net Sales growth, compared to 2014.

We expect a decline of 9.1% in our Mexican sales and a growth of 21.1% in our international sales.

We are estimating a consolidated EBITDA margin of 23% to 25% and a Cash Conversion Cycle of less than 135 days.

For 2015, the Company is committing to a higher free cash flow generation, taking the following actions:

- Improving cash conversion cycle,



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab[®]
Internacional

- Reducing or eliminating acquisitions,
 - Focusing on organic growth and,
 - Strengthening brands that have been acquired in the past.
- In the past seven months Genomma was in a *black-out period* and was not able to operate its share buyback program since it was involved in a very relevant M&A process about a possible co-investment with an important multinational company. Given that this transaction has been cancelled, the Company will reactivate the operation of its share buyback program.
- Mr. Rodrigo Herrera, President of the Board and Chief Executive Officer, after having directed the initial negotiations with TV stations and suppliers, and having built a team in Europe, as he did in the countries of Latin America and the United States, will return to the Company's headquarters in Mexico City to continue overseeing the day to day operations as CEO of Genomma Lab. The initiative in Europe will be led by Mr. Kerman Elordi, who will join Genomma Lab as Regional Manager on March 20th of this year. The results of this initiative will start to be reflected at the beginning of 2016.
- Mr. Elordi has more than 25 years of experience in commercial, marketing and managerial positions in several companies, including: Commercial/Sales Director for the Global Business Unit Healthcare in charge of the Joint Venture between P&G and Teva, General Director of Canon Spain and Portugal, Commercial Director of P&G Mexico (2007-2011), Commercial Director P&G, Managing Director of P&G Portugal (2004-2007), Commercial Director of P&G Spain (2001-2004), among other relevant positions. Mr. Elordi holds a Law Degree from the Universidad Complutense Madrid.
- The Company has been advancing on the negotiations to sell a majority participation in Grupo Marzam. We will announce more information on this subject as we keep advancing on such negotiations. We are very optimistic in this process and valuation given the operating improvements that the Company has achieved in Grupo Marzam.
- As announced during the Investor Day held last November 2014, the Company will continue to work on the rationalization of its portfolio of brands, focusing on those that represent the largest percentage of its Net Sales and have healthier margins and a better cash conversion cycle. The Company is in the final stage for licensing the non-core brands.
- Genomma's solid share liquidity levels have allowed us to be included in multiple indexes, recognizing various positive aspects of our Company. Such indexes include: the sustainability index, the Mexican IPC and several MSCI Indexes, including MSCI Emerging Markets, MSCI Mexico, MSCI Latin America, Mexico Mid and Smid Cap, AC Americas IMI Growth, IMI/Healthcare, and ACWI Defensive Sector, to name a few of the more than 400 indices in which Genomma Lab is included.



Fourth Quarter and Full Year 2014 Audited Results

- In addition, the Company was once again awarded by the “Secretaría de Trabajo y Previsión Social” (“Secretary of Labor and Social Welfare”) with the “Distintivo de Empresa Familiarmente Responsable” (“Family-Responsible Certificate”).

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 Banorte; Grupo Financiero Interacciones; 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.; J.P. Morgan Casa de Bolsa, S.A. de C.V.; 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 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.



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab
Internacional

Income Statement

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

For the three and twelve month periods ended on December 31, 2014 and December 2013

(In thousands of current Mexican pesos)

	FOURTH QUARTER		VAR	ACCUMULATED		VAR
	2014	2013	%	2014	2013	%
Net Sales	2,843,329	3,677,527	(22.7%)	11,540,998	11,360,689	1.6%
Cost of goods sold	864,523	1,093,377	(20.9%)	3,538,831	3,416,363	3.6%
Gross Income	1,978,806	2,584,150	(23.4%)	8,002,167	7,944,326	0.7%
Selling, general and administrative expenses	1,271,673	1,243,827	2.2%	5,471,237	4,952,906	10.5%
Other expenses	6,214	11	56390.9%	8,764	477	1737.3%
Other income	2,339	375	523.7%	20,951	10,195	105.5%
EBITDA	703,258	1,340,687	(47.5%)	2,543,117	3,001,138	(15.3%)
Depreciation and amortization	28,831	18,461	56.2%	98,021	64,244	52.6%
Income from Operations	674,427	1,322,226	(49.0%)	2,445,096	2,936,894	(16.7%)
Interest expense	(90,757)	(78,320)	15.9%	(360,003)	(298,469)	20.6%
Interest income	3,862	6,694	(42.3%)	11,827	12,847	(7.9%)
Exchange income (expense)	93,389	(54,082)	(272.7%)	32,525	(56,921)	(157.1%)
Comprehensive financing income (cost)	6,494	(125,708)	(105.2%)	(315,651)	(342,543)	(7.9%)
Associated company	(9,205)	(1,244)	640.0%	(11,684)	11,244	(203.9%)
Income before income taxes	671,716	1,195,274	(43.8%)	2,117,761	2,605,595	(18.7%)
Income tax expense	170,447	336,912	(49.4%)	623,598	794,983	(21.6%)
Income from continuing operations	501,269	858,362	(41.6%)	1,494,163	1,810,612	(17.5%)
Net income from discontinued operations	12,943	-	100.0%	12,943	-	100.0%
Consolidated net income	514,212	858,362	(40.1%)	1,507,106	1,810,612	(16.8%)
Net income of minority stockholders	3,605	16,433	(78.1%)	62,548	58,144	7.6%
Net income of majority stockholders	510,607	841,929	(39.4%)	1,444,558	1,752,468	(17.6%)
Consolidated net income	514,212	858,362	(40.1%)	1,507,106	1,810,612	(16.8%)
Conversion result from foreign currencies	115,515	2,249	5036.3%	160,329	9,885	1521.9%
Comprehensive Income	629,727	860,611	(26.8%)	1,667,435	1,820,497	(8.4%)
Attributable to noncontrolling interest	86,151	61,054	41.1%	86,151	59,888	43.9%
Attributable to controlling interest	543,576	799,557	(32.0%)	1,581,284	1,760,609	(10.2%)



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab
Internacional

Balance Sheet

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

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

(In thousands of current Mexican Pesos)

ASSETS	DECEMBER		VARIATION		SEPTEMBER	VARIATION	
	2014	2013	Amount	%	2014	Amount	%
Current assets							
Cash and equivalents	1,164,454	1,759,019	(594,565)	(34%)	1,336,550	(172,096)	(13%)
Restricted fund	17,842	8,126	9,716	120%	9,037	8,805	97%
Clients - Net	4,164,311	5,016,080	(851,769)	(17%)	5,750,877	(1,586,566)	(28%)
Others accounts receivable	1,307,094	677,475	629,619	93%	766,350	540,744	71%
Inventory - Net	1,595,012	1,442,056	152,956	11%	1,161,999	433,013	37%
Prepaid expenses	1,098,990	1,084,498	14,492	1%	1,195,742	(96,752)	(8%)
Assets classified as held for sale	7,790,506	-	7,790,506	100%	-	7,790,506	100%
Total current assets	17,138,209	9,987,254	7,150,955	72%	10,220,555	6,917,654	68%
Non-current assets							
Trademarks	6,530,838	6,110,114	420,724	7%	6,438,627	92,211	1%
Investment in shares	18,360	17,681	679	4%	615,733	(597,373)	(97%)
Building, properties and equipment - Net	457,659	408,383	49,276	12%	441,888	15,771	4%
Deferred income tax	79,233	37,641	41,592	110%	75,539	3,694	5%
Other assets - Net	806,810	791,796	15,014	2%	802,548	4,262	1%
Total non-current assets	7,892,900	7,365,615	527,285	7%	8,374,335	(481,435)	(6%)
Total assets	25,031,109	17,352,869	7,678,240	44%	18,594,890	6,436,219	35%
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Current portion of long-term debt	400,579	805,025	(404,446)	(50%)	337,455	63,124	19%
Suppliers	1,554,690	1,644,125	(89,435)	(5%)	1,490,297	64,393	4%
Other current liabilities	1,012,915	664,144	348,771	53%	705,646	307,269	44%
Income tax payable	126,477	30,881	95,596	310%	122,968	3,509	3%
Statutory employee profit sharing	13,827	9,911	3,916	40%	7,832	5,995	77%
Debts classified as held for sale	4,487,400	-	4,487,400	100%	-	4,487,400	100%
Total current liabilities	7,595,888	3,154,086	4,441,802	141%	2,664,198	4,931,690	185%
Non-current liabilities							
Long-term debt securities	5,481,665	3,982,107	1,499,558	38%	3,985,353	1,496,312	38%
Long-term loans with financial institutions	1,023,613	668,745	354,868	53%	1,752,447	(728,834)	(42%)
Other long term liabilities	64,820	50,181	14,639	29%	63,203	1,617	3%
Deferred income tax	756,924	660,416	96,508	15%	648,431	108,493	17%
Employee retirement obligations	2,298	1,889	409	22%	2,474	(176)	(7%)
Total liabilities	14,925,208	8,517,424	6,407,784	75%	9,116,106	5,809,102	64%
Stockholders' equity							
Capital stock	1,914,306	1,914,306	-	-	1,914,306	-	-
Retained earnings	6,421,800	5,066,538	1,355,262	27%	6,428,565	(6,765)	(0%)
Net income	1,444,558	1,752,468	(307,910)	(18%)	933,951	510,607	55%
Cumulative translation effects of foreing subsidiaries	149,561	12,835	136,726	1065%	57,649	91,912	159%
Share buyback fund	(74,394)	(74,621)	227	(0%)	(84,142)	9,748	(12%)
Net premium in placement of repurchased shares	39,749	39,749	-	-	39,749	-	-
Minority interest	210,321	124,170	86,151	69%	188,706	21,615	11%
Total stockholders' equity	10,105,901	8,835,445	1,270,456	14%	9,478,784	627,117	7%
Total equity and liabilities	25,031,109	17,352,869	7,678,240	44%	18,594,890	6,436,219	35%



Fourth Quarter and Full Year 2014 Audited Results

Genomma Lab
Internacional

Cash Flow

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

For the three and twelve months ended on December 31, 2014

(In thousands of current Mexican pesos)

	DECEMBER 2014	
	4th QUARTER	ACCUMULATED
Cash and cash equivalents beginning of period	1,345,587	1,767,145
Consolidated Net Income	514,211	1,507,105
Charges to results with no cash flow:		
Depreciation and amortization	28,831	98,021
Income tax	170,447	623,598
Accrued interest and others	77,778	337,091
	791,267	2,565,815
Changes in Working Capital:		
Clients - Net	1,586,567	851,770
Inventories	(433,014)	(152,957)
Suppliers	64,505	(89,396)
Other current assets	(380,648)	(758,328)
Payed income tax	(117,858)	(376,712)
Other current liabilities	319,098	441,620
Variation in assets available for sale	(1,443,218)	(1,443,218)
	(404,568)	(1,527,221)
Net cash generated (used) in operating activities	386,699	1,038,594
Investing activities:		
Investment in fixed assets	(34,823)	(120,251)
Sales of equipment	1,038	1,600
Brand acquisitions and others	(692)	(338,304)
Net assets available for sale	(1,257,197)	(1,857,197)
Others assets acquisitions	(11,602)	(48,333)
	(1,303,276)	(2,362,485)
Net cash generated (used) in investing activities	(1,303,276)	(2,362,485)
Financing activities:		
Payments of borrowings with financial institutions	(714,574)	(1,276,220)
Loans with financial and securities institutions	1,543,067	2,748,807
Interest paid	(89,914)	(331,219)
Stock program for employees	3,041	(12,193)
Transactions with related parties	(6,764)	(397,205)
Minority interest	18,011	23,604
	752,867	755,574
Net cash used in financing activities	752,867	755,574
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	(163,710)	(568,317)
Foreign exchange and inflationary effects from international operations	419	(16,532)
Accumulated cash flow at the end of the period	1,182,296	1,182,296
Less - restricted fund	17,842	17,842
Cash and cash equivalents at end of period balance for operation	1,164,454	1,164,454