

## GENOMMA LAB CLOSES SALE OF GRUPO MARZAM AND ANNOUNCES INFORMATION REVEALED ON GENOMMA DAY



Mexico City, September 29, 2015

*Genomma Lab Internacional, S.A.B. de C.V.* (BMV: LAB) (“Genomma Lab” or “the Company”) announces that the sale of 50% plus one share of Grupo Marzam to Moench Coöperatief U.A. has concluded successfully in the committed times by the formalization of the contracts and the corresponding payment.

Genomma Lab has received the payment accorded of Ps. 1.05 billion and will receive a second payment of Ps. 300 million at the first anniversary of the transaction. As mentioned, the use of the initial proceeds may include the reduction of financial debt and the share repurchase, which is in line with the strategy of the Company of improving its capital structure and increasing value for shareholders.

From the closing date forward, Moench Coöperatief, U.A. will take the operation of Grupo Marzam. The commercial relationship between Genomma Lab and Grupo Marzam will continue to be as important as it has previously been.

Máximo Juda, Chief Executive Officer of Genomma Lab, commented: “We’re pleased to announce that, with the effort of the new leadership team, the closing of Marzam’s controlling stake sale and the collection of the first tranche of Ps. 1,05 billion of the transaction are in line with our expectations and the public commitment we made some weeks ago. This strengthens our cash and debt position, will increase our operations transparency and allows us to keep our competitive advantage in Mexico’s market, as we still keep a strategic interest in the Company. We’re closing this transaction in the best way both for Genomma Lab and our shareholders’ best interests.”

On another subject, the Company held its “Genomma Lab Day” today in New York City. The presentation of such event is in our Investor Relations website (<http://genommalab.com/Inversionistas/Pages/Events.aspx>). The audio replay of the event will be available in the following link: <http://www.investorcalendar.com/IC/CEPage.asp?ID=174364>.

In this event, the Company disclosed the following relevant information:

- Due to the accelerated de-stocking process at point of sale in Mexico, the **guidance for 2015 results is being revised**: consolidated Net Sales for the full year are expected to be Ps. 10.92 billion, representing a decline of 5.4% compared to 2014; an EBITDA margin of 16.4 % and a free cash flow generation of Ps. 560 million, which represents 5.1 % as a percentage of Net Sales.

The expected results are:

- Mexico: Net Sales of Ps. 3.87 million, representing a 36.8% decline compared to 2014 and an EBITDA margin of -5.2%.

- International: Net Sales of Ps. 7.06 billion, representing an increase of 29.9% compared to 2014 and an EBITDA margin of 28.2%.
- Similarly, the Company is disclosing its **guidance for 2016**: consolidated Net Sales for the full year are expected to be Ps. 11.78 billion, representing an increase of 7.9% compared to the revised number of 2015; an EBITDA margin above 19.5% and a free cash flow generation of Ps. 1.00 billion, representing 8.5% as a percentage of Net Sales.

Expected results are:

- Mexico: Net Sales of Ps. 4.00 Billion, representing an increase of 3.6% compared with 2015 and an EBITDA margin of -0.3%.
- International: Net Sales of Ps. 7.78 Billion, representing an increase of 10.3% compared with 2015 and an EBITDA margin of more than 29.5%.

Máximo Juda, Chief Executive Officer of Genomma Lab commented: “Our international operations experience and results indicate that we must reduce our inventories in point of sale even further, with the objective of increasing our EBITDA and turn our net profit into free cash flow. We’ll achieve this and Mexico’s turn around within a year, of which three months have already gone by. In spite of this, and thanks to the international expansion and diversification we have achieved, the company will continue to generate positive operating and consolidated results, which shows the great strength of our operations and business model. We’ve decided to focus on delivering the results to which we commit and be totally transparent in our reports with the objective of allowing our investors to better understand the short, mid and long term value of Genomma Lab.”

Lastly, on September 28 of this year, Dr. Andrés Conesa Labastida, up to that date independent member of the Board of Directors of Genomma Lab, presented its resignation to such position given the new responsibilities he assumed at IATA. According to article 24 of the “Ley del Mercado de Valores”, the Board of Directors of the Company appointed on this same date, given his experience, Mr. Héctor Carillo González as provisional independent Board member of the Company, which can be ratified in the next shareholders’ meeting of Genomma Lab. The company thanks Dr. Conesa for the services provided as independent Board Member.

## Company Description

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*Genomma Lab Internacional, S.A.B. de C.V.* is one of the fastest growing pharmaceutical and personal care products companies in Latin America. 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. The Company has a sound business model through a unique combination of a new product development process, consumer oriented marketing, a broad retail distribution network and a low - cost, highly flexible supply chain operating model.

#### **Note on Forward-Looking Statements**

This report may contain certain forward-looking statements and information relating to the Company that reflect the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like “believe,” “anticipate,” “expect,” “envisages,” “will likely result,” or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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