Genomma Lab Delivers Solid Top Line Growth of 42.9% and a Strong 21.2% Net Income Margin

GENOMMA LAB INTERNACIONAL ANNOUNCES THIRD QUARTER AND NINE MONTH 2008 RESULTS

Mexico City, Mexico – October 24, 2008

Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB) ("Genomma" or "the Company"), a leading Mexican over-the-counter ("OTC") pharmaceuticals and personal care products Company, announced today its results for the third quarter and nine month periods ended September 30, 2008. All figures included herein were prepared in accordance with Mexican GAAP; 2008 figures are stated in nominal Mexican pesos and 2007 figures have been restated in constant Mexican pesos as of December 31, 2007.

3Q08 Highlights (vs. 3Q07)

- Net sales reached Ps. 712.4 million, an increase of 42.9%.
- Gross profit was Ps. 538.2 million, an increase of 45.3%.
- EBITDA[1] increased 40.2% to Ps. 201.8 million.
- Consolidated net income rose 32.4% to Ps. 150.7 million.
- Earnings per share[2] increased 109.8% to Ps. 0.80.
- During the third quarter, we successfully launched eight products under five existing brands (Base Brands[3] and Prior Year Launches[4]) as part of our line extension strategy.
- We also launched four products under two New Brands[5], as part of our new products launch plan during the third quarter.

[1] EBITDA is defined as earnings before interest, taxes, depreciation and amortization
[2] Earnings per share is for the last 12 months. Earnings per share were calculated using the weighted average of shares outstanding for the period.
[3] As defined below.
[4] As defined below.
[5] As defined below.

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Comments from the Chairman and CEO

Mr. Rodrigo Herrera, our Chairman and Chief Executive Officer, stated: "We are pleased to report another period of strong growth and profitability for the third quarter. While we measure the impact of the recent financial crisis on domestic consumption, we continue developing new products and launches according to our plan. Our growth is driven more by product development and market share gains than general economic activity; we will also push to gain additional market share in the event of ad spend reductions by our competitors."

Consolidated Results of Operations for the Third Quarter of 2008

The following table shows our condensed and consolidated results of operations, in millions of pesos (except share and per-share data), the margin for each concept as a percentage of sales, as well as the variation in terms of percentage for the quarter and nine months period ended September 30, 2008 compared to the same period in 2007:

For the three and nine months ended September 30th, 2008 and 2007
(In thousands of current Mexican pesos for the amounts of 2008 and purchasing power of December 31st, 2007 for September 2007)

	3rd Quarter			Jan - Sep		
	2008	2007	%Var	2008	2007	%Var
Net Sales	712.4	498.7	42.9	1,891.4	1,317.4	43.6
Gross Profit	538.2	370.4	45.3	1,426.6	993.3	43.6
Gross Margin	75.5%	74.3%	1.3	75.4%	75.4%	0.0
EBITDA	201.8	143.9	40.2	469.9	317.2	48.1
EBITDA Margin	28.3%	28.9%	(0.5)	24.8%	24.1%	0.8
EBIT	196.6	141.9	38.5	457.0	311.9	46.5
Net Consolidated Income	150.7	113.9	32.4	320.1	205.0	56.1
Net Consolidated Margin	21.2%	22.8%	(1.7)	16.9%	15.6%	1.4
Weighted average of shares outstanding	527,589,752	421,698,000	25.1	462,027,724	421,698,000	9.6
EPS (12 months)*	0.80	0.38	109.8	0.91	0.38	139.5

*EPS is calculated by dividing the net consolidated income of the past 12 months by the weighted average of shares outstanding for the period. The stock split that happened during the first quarter of 2008 was retroactively applied in the above average number of share calculation.

The total outstanding shares as of September 30, 2008 was 529,240,713.

Net sales rose 42.9% to Ps. 712.4 million for the third quarter of 2008 from Ps. 498.7 million for the third quarter of 2007. This increase resulted from growth in Mexico of i) 18.9% (Ps. 72.3 million) from **Base Brands** to Ps. 455.0 million, including line extensions on these brands, ii) 72.3% (Ps. 71.1 million) due to the full year effect of **Prior Year Launches**, including recent line extensions on these brands launched during 2007 to reach Ps. 169.3 million, iii) Ps. 38.5 million in the third quarter from **New Brands** due to the launch of six new products under six New Brands in the first half of 2008 and four additional new products under two New Brands in the third quarter of 2008, plus iv) a 180.5% increase (Ps. 31.9 million) in our **International** operations to Ps. 49.6 million.

We classify sales by brands in the following manner:

1) **Base Brands** were launched at least two years prior to the last year (2006, 2005, etc),
2) **Prior Year Launches** were brands launched during the prior year (2007),
3) **New Brands** were launched in the current year (2008), and
4) **International** refers to sales from our international operations in the current year (2008).

Gross Profit increased by 45.3% to Ps. 538.2 million for the third quarter of 2008 compared to 370.4 million for the third quarter of 2007. Gross margin increased by 1.2 percentage points to 75.5% compared to 74.3% for the same period in 2007. This increase was primarily attributable to i) a decrease in the cost as a percentage of sales in our Base Brands due to more efficient purchasing plus a higher margin sales mix; and ii) a lower cost of new products form New Brands this year relative to our average cost, whereas new products have historically been launched with a higher cost base.

Selling, General and Administrative Expenses, as a percentage of net sales, increased 2.2 percentage points from 45.8% for the third quarter of 2007 to 48.0% for the third quarter of 2008. This increase was primarily due to i) growth in our headcount mainly in the information technology department as temporary support for the ERP implementation; ii) higher general and administrative expenses; iii) higher depreciation and amortization expenses due to our higher capital expenditures during 2008; and iv) an increase in reserves and provisions mainly for past due receivables. Also, our international administrative and selling expenses grew in absolute terms from those of 2007 as some of these operations did not exist in 2007.

The increase in expenses was partially offset by economies of scale obtained in selling, marketing and distribution expenses. For example, distribution expenses decreased by 1.1 percentage points as part of the move to our new distribution center, which was completed in the third quarter of 2008.

EBITDA increased by 40.2% to Ps. 201.8 million for the third quarter of 2008 compared to Ps. 143.9 million for the third quarter of 2007. EBITDA margin decreased by 0.6 percentage points from 28.9% for the third quarter of 2007 to 28.3% for the third quarter of 2008. The EBITDA margin decrease was primarily due to the increase in selling , general and administrative expenses as a percentage of sales given the aforementioned reasons.

EBITDA Reconciliation

For the three and nine months ended September 30th, 2008 and 2007
(In thousands of current Mexican pesos for the amounts of 2008 and purchasing power of December 31st, 2007 for September 2007)

	3rd Quarter		January - September	
Other financial data:	**2008**	**2007**	**2008**	**2007**
EBITDA				
Consolidated net income (loss)	150.7	113.9	320.1	205.0
Income tax expense (benefit)	61.7	26.7	136.1	98.2
Comprehensive financing cost (income)	(26.5)	9.3	(11.3)	14.5
Other expense (income), Net	10.5	(7.9)	12.1	(5.9)
Depreciation and amortization	5.2	2.0	12.9	5.4
EBITDA	201.8	143.9	469.9	317.2
EBITDA margin	28.3%	28.9%	24.8%	24.1%

Operating Income increased by 38.5% to Ps. 196.6 million for the third quarter of 2008 compared to Ps. 141.9 million for the third quarter of 2007. Operating margin decreased by 0.8 percentage points to 27.6% compared to 28.4% for the third quarter of 2007. Out of the 0.8 percentage points, 0.3 percentage points resulted from an increase in depreciation and amortization due to the acquisition of fixed assets during 2008, such as office equipment, computer equipment, and leasehold improvements.

Comprehensive Financing Income was Ps. 26.5 million for the third quarter of 2008, which represented an increase of Ps. 35.7 million compared to the Ps. 9.3 million financing cost reported for the same period of 2007. The increase was primarily a result of i) an increase in our interest income from Ps. 1.4 million for the third quarter of 2007 to Ps. 21.9 million for the same period of 2008 due to higher average balances of cash and equivalents during the same period in 2008; ii) a decrease in our financial expenses from Ps. 6.0 million for the third quarter of 2007 to Ps. -0.1 for the same period in 2008; which was primarily the result of a lower debt position along with a reclassification of certain financial expenses to the other expenses account; and iii) a decrease in the monetary position loss from Ps. 6.8 million for the third quarter of 2007 to a loss of Ps. 0.4 million for the same period in 2008. This effect was the result of a change in the inflation accounting of Mexican GAAP whereby the monetary position calculation in 2008 is only affected by the Argentine operations, while in 2007, the calculation included all countries consolidated in the results. Therefore, the numbers are not directly comparable.

As of September 30, 2008, we had a cash position of Ps. 1,072.8 million.

Net Consolidated Income increased 32.4% to Ps. 150.7 million for the third quarter of 2008 as compared to Ps. 113.9 million for the third quarter of 2007.

Balance Sheet

	As of September 30, 2008	As of September 30, 2007
Balance Sheet Information:		
Cash and equivalents	1,072.8	46.9
Trade receivables	942.2	429.2
Inventories	319.0	216.9
Other current assets	139.2	240.8
Total Assets	2,695.8	1,003.5
Suppliers	288.4	102.4
Other current liabilities	315.7	288.4
Loans with financial institutions	0.6	90.2
Total Liabilities	614.3	485.3
Stockholders Equity	2,081.5	518.2
Working Capital [(1)]	1,869.2	542.9
Working Capital less cash	796.4	496.0
Trade Recevables days	139	89
Inventories days	180	181
Suppliers days	162	85

[(1)] Working capital consists of current assets minus current liabilities

Trade Receivables increased Ps. 513.0 million to Ps. 942.2 million as of September 30, 2008 from Ps. 429.2 million as of September 30, 2007. Days of trade receivables increased 50 days from 89 as of September 30, 2007 to 139 as of September 30, 2008. This increase was mainly due to the fact that our sales to clients mix is changing; sales to clients which have had traditionally longer payment terms increased more than sales to clients with shorter payment terms

Inventories increased Ps. 102.1 million to Ps. 319.0 million as of September 30, 2008 from Ps. 216.9 million as of September 30, 2007. Days of inventories decreased 1 day from 181 as of September 30, 2007 to 180 as of September 30, 2008. Even though, we had to buildup inventories to support our new products launches plan, we have been able to decrease our overall days of inventories by operating our supply chain in a more efficient manner.

Suppliers increased Ps. 186.0 million to Ps. 288.4 million as of September 30, 2008 from Ps. 102.4 million as of September 30, 2007. Days of suppliers increased 77 days from 85 as of September 30, 2007 to 162 as of September 30, 2008. This increase was mainly due to an increase in credit conditions with our suppliers leveraging our negotiations by using a reverse factoring program ("Cadenas Productivas"), together with a stricter management of advanced payments.

Other Current Assets decreased Ps. 101.6 million to Ps. 139.2 million as of September 30, 2008 from Ps. 240.8 million as of September 30, 2007. This change was attributable mainly to a decrease in receivables from related parties and receivable taxes, partially offset by an increase in advertising paid in advance.

During the third quarter of 2008, cash flow from our operations and cash on hand was sufficient to meet our liquidity requirements.

Operations Summary

Sales

For the third quarter of 2008, sales of our OTC pharmaceutical products increased 62.8%[6] as compared to the third quarter of 2007. This was a result of launching 11 products during the first nine months of 2008 (nine in the first half and two in the third quarter of 2008) accompanied by the impact of growth in OTC products launched in 2007.

Sales of our personal care products increased by 11.9%[7] for the third quarter of 2008 compared to the third quarter of 2007. The principal driver of this growth was the launch of 26 products during the first nine months of 2008 (16 in the first half and ten in the third quarter), accompanied by the impact of growth in personal care products launched during 2007.

Sales of our international operations increased 180.5% to Ps. 49.6 million in the third quarter of 2008 compared to Ps. 17.7 million for the same period of 2007. This growth was a result of obtaining product registrations in our existing Latin American operations and the start-up of sales in Argentina.

New Products Launches and Line Extensions

During the third quarter of 2008, we launched eight line extensions of **Base Brands** and four new products under two **New Brands**; among these were:

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[6] Includes growth of OTC pharmaceutical products in Mexico only
[7] Includes growth of personal care products in Mexico only

Medicasp daily use, a line extension of the Medicasp shampoo treatment (anti-dandruff treatment) which is recommended for daily use;

Ma Evans, a brand that we purchased in 2007 for its top of mind recognition in the anti-hair loss category. This launch consisted of three products: shampoo, molding hair gel and anti-hair loss treatment;

Asepxia make-up, a line extension of the Asepxia brand (anti-acne products) which includes different non-oil based makeup products, which act as makeup while cleansing and treating the skin; and

Unigastrozol, is a brand which we acquired and launched during the third quarter. Unigastrozol has a formulation based on Pantoprazole, the most advanced active ingredient available for an OTC product in the anti-ulcer and anti-acid categories. With this acquisition we expect to consolidate our position in these categories, by offering the consumer a differentiated high-end product that complements our Genoprazol brand.

Recent Events

- We manage our treasury in a highly conservative manner. We have been investing in overnight government bonds and purchased a position in dollars in order to offset minor dollar-based payables and future dollar-based costs. We reiterate that we have no exposure to derivative instruments.
- Our Board of Directors approved the gradual closing of our operations in Spain due to an underperformance compared with our domestic and other international operations. The three main factors that affected operations in Spain were: 1) a much higher cost of television advertising time; 2) the fact that pharmaceutical products in Spain may only be sold to authorized pharmacies; therefore, mass merchandisers could not sell our OTC products, limiting accessibility to our products; and 3) the reluctance of Spanish consumers to switch from their traditional product preferences to newly launched alternatives.
- Our Board of Directors has approved the closing of our sourcing offices in China mainly due to quality issues encountered in the sourcing process.

Company Description

Genomma Lab Internacional, S.A.B. de C.V. is one of the fastest growing over-the-counter pharmaceutical and personal care products companies in Mexico. Genomma 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. Through a combination of a successful new products development process, consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model, the Company has grown its revenue at a compounded annual growth rate of 64.4% from 2005 to 2007.

The Company had net sales of Ps. 1,872.9 million and EBITDA of Ps. 460.5 million in 2007. Genomma'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

Consolidated statements of operations
For the three and nine months ended September 30th, 2008 and 2007
(In thousands of current Mexican pesos for the amounts of 2008 and purchasing power of December 31st, 2007 for September 2007)

		3rd Quarter			January - September		
		2008	**2007**	**% Var**	**2008**	**2007**	**% Var**
Net Sales	$	712,368	498,658	42.9%	1,891,368	1,317,433	43.6%
Costs and expenses:							
Cost of sales		174,184	128,272	35.8%	464,757	324,177	43.4%
Selling, general and administrative expenses		341,632	228,518	49.5%	969,631	681,404	42.3%
Total Costs and expenses		515,816	356,790	44.6%	1,434,387	1,005,581	42.6%
Income from Operations		196,552	141,867	38.5%	456,981	311,852	46.5%
Other (expense)- Net		(10,526)	7,917	-233.0%	(12,067)	5,930	-303.5%
Comprehensive financing income (cost)							
Interest (expense)		133	(5,979)	-102.2%	(15,150)	(12,205)	24.1%
Interest income		21,882	1,388	1476.8%	24,762	2,298	977.7%
Exchange (loss) gain		2,823	2,534	11.4%	3,199	2,113	51.4%
Monetary position (loss) gain		(419)	(6,768)	-93.8%	(1,807)	(6,693)	-73.0%
Effects of exchange rate changes on foreign operations		2,039	(434)	0.0%	276	(0)	0.0%
		26,458	(9,260)	-385.7%	11,280	(14,487)	-177.9%
Income (Loss) before income taxes		212,483	140,524	51.2%	456,194	303,294	50.4%
Income tax expense (benefit)		61,748	26,669	131.5%	136,082	98,248	38.5%
Consolidated net income (loss)	$	150,735	113,856	32.4%	320,112	205,047	56.1%
Consolidated net Income (loss)	$	150,735	113,856	32.4%	320,112	205,047	56.1%
Net loss (income) of minority stockholders	$	614	461	33.1%	1,428	(1,246)	-214.6%
Net Income of majority stockholders	$	151,349	114,317	32.4%	321,541	203,800	57.8%

Balance Sheet

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

Consolidated balance sheets

As of September 30th, 2008 and 2007

(In thousands of current mexican Pesos for the amounts of September 2008 and purchasing power of December 31,2007 for the amounts of 2007)

	Sep-08	Sep-07	V$	V%
Assets				
Current assets:				
Cash and equivalents	1,066,450	46,929	1,019,521	2172.5%
Restricted funds	6,381	-	6,381	0.0%
Accounts receivable-Net	1,007,473	517,732	489,740	94.6%
Inventory - Net	319,046	216,854	102,192	47.1%
Prepaid expenses and other current assets	49,623	9,650	39,973	414.2%
Due from Related Parties	24,274	142,527	(118,253)	-83.0%
Total current assets	**2,473,246**	**933,692**	**1,539,553**	164.9%
Equipment- net	**99,560**	**29,105**	**70,456**	242.1%
Patents, trademarks & other rights	78,691	36,989	41,702	112.7%
Investments in subsidiaries	13	-	13	0.0%
Deferred income tax	39,905	-	39,905	0.0%
Other assets- Net	4,409	3,724	686	18.4%
	123,018	**40,713**	**82,305**	202.2%
Total Assets	**2,695,824**	**1,003,510**	**1,692,314**	
Current Liabilities:				
Loans with Financial institutions	614	90,293	(89,679)	-99.3%
Trade accounts payable	288,363	102,389	185,973	181.6%
Due to Related Parties	119	-	119	0.0%
Accrued expenses and taxes other than income taxes	180,421	151,941	28,479	18.7%
Deferred Income	20,051	-	20,051	0.0%
Tax Payable	115,080	117,479	(2,399)	-2.0%
Statutory employee profit sharing	780		780	0.0%
Deferred income tax	-	18,836	(18,836)	-100.0%
Employee retirement obligations	8,895	4,346	4,549	104.7%
			-	
Total Liabilities	**614,323**	**485,284**	**129,039**	
Capital Stock	1,795,468	269,787	1,525,681	565.5%
Retained Earnings	(33,856)	19,794	(53,650)	-271.0%
Net Income	321,541	203,800	117,741	57.8%
Cumulative translation effects of foreign subsidiarie	(3,063)	1,065	(4,129)	-387.5%
Minority interest in consolidated subsidiaries	1,411	23,779	(22,368)	-94.1%
Total Shareholders Equity	**2,081,501**	**518,226**	**1,563,275**	

Cash Flow Statement

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

Consolidated cash flow statement
For the nine months ended September 30th, 2008
(In thousands of current Mexican pesos at September 30th, 2008)

	3Q 2008	2008
Operating activities:		
Income before taxes	$212,483	$456,194
Items that did not require resources:		
Depreciation and amortization	5,200	12,949
Cost of Employee retirement obligations	383	4,757
Deferred Income tax	(25,346)	(59,947)
Statutory employee profit sharing	431	886
Deferred Income	(21,803)	(21,803)
(Increase) Decrease in accounts receivable	(195,138)	(499,675)
(Increase) Decrease in inventories	(39,445)	(91,368)
Increase (Decrease) in accounts payable	27,131	210,470
Increase (Decrease) in payable tax	(77,343)	(129,289)
Other, Net	(7,907)	24,608
Net Cash flow generated (used) in operating activities	**(121,354)**	**(92,218)**
Investing Activities:		
Investments (Adquisition)	(39,225)	(66,178)
Other capital expenditures (Adquisition)	(8,223)	(14,275)
Net cash flow generated (used) in investing activities	**(47,448)**	**(80,453)**
Net cash flow from Investing	**(168,802)**	**(172,671)**
Financing activities:		
Stock repurchases	(37,717)	(37,717)
Borrowings with financial institutions	(897)	431,985
Loans payments to Financial institutions	-	(688,121)
Payable Interest from prior periods	-	(1,333)
Other Dividends to paid	-	(95,797)
Equity increase / Sale of stock	82,644	1,574,465
Net Cash flow provided from financing activities	**44,030**	**1,183,482**
Net Increase in cash and equivalentes before foreign exchange adjustments coming from International operations and inflationary effects.	(124,772)	1,010,811
Foreign exchange and infaltionary effects from International operations	(1,908)	(449)
Net increase (decrease) in cash	(126,680)	1,010,362
Cash and equivalentes beginning of period	**1,199,511**	**62,469**
Cash and equivalentes end period balance.	**1,072,831**	**1,072,831**