



GRUPO LALA REPORTS RESULTS FOURTH QUARTER AND FULL YEAR 2014

FOURTH QUARTER HIGHLIGHTS

4.4% increase in Fourth Quarter
Net Sales closing at
11,584 million pesos

20 basis points expansion in
EBITDA Margin for the quarter,
closing at 12.6%

Acquired assets of Eskimo S.A.
and affiliates in Central America

Declared a dividend payment of
\$0.51 pesos per share

LALAB added to BMV IPC
Sustainability Index for the
Full Year 2015

Grupo LALA launches new soy and
almond beverage under the
"Soy Salud" brand within the
healthy drinks category.

Mexico City, February 26, 2015 – Grupo LALA, S.A.B. de C.V., Mexico's leader in healthy and nutritious foods, ("LALA") (BMV: LALAB), today reported results for the fourth quarter 2014. The following information has been presented based on International Financial Reporting Standards (IFRS) and in nominal terms.

The following table provides an abridged Income Statement, in millions of pesos. The margin for each figure represents its ratio to net sales and the percentage change from the quarter ended December 31, 2014, as compared with the same period in 2013:

	Q4 13	MARGIN %	Q4 14	MARGIN %	VAR %
Net Sales	\$ 11,092	100.0%	\$ 11,584	100.0%	4.4%
Gross Profit	4,096	36.9%	4,298	37.1%	4.9%
Operating Income	1,129	10.2%	1,202	10.4%	6.4%
EBITDA ⁽¹⁾	1,381	12.4%	1,462	12.6%	5.9%
Net Income ⁽²⁾	724	6.5%	723	6.2%	(0.2%)

(1) EBITDA is defined as operating income before depreciation, amortization, and trademarks impairments.

(2) Net Income refers to Net Income from Continuing Operations.

MESSAGE FROM MANAGEMENT

Arquímides Celis, Grupo LALA's CEO, commented: "2014 was a year of macroeconomic volatility, with significant challenges for the consumer sector. However, the innovation and efficiency related strategies that we had in place have enabled us to remain profitable while maintaining LALA's leadership position in the industry." He added: "Looking ahead to 2015, I am confident that our strong leadership team, product portfolio, and execution skills will ensure that we remain Mexico's leader in great tasting and health-conscious products despite today's challenging environment. We remain committed to explore new and exciting opportunities that will strengthen our position while creating long-term value."

February, 2015

For more information:

Enrique González

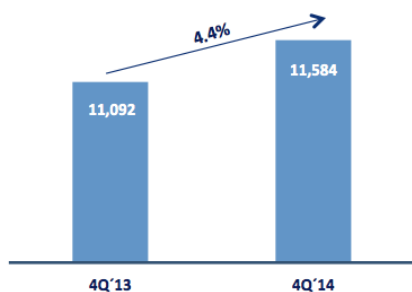
Investor Relations

Tel.: +52 (55) 9177- 5928

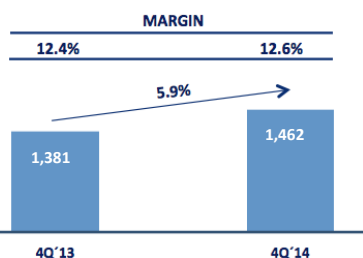
investor.relations@grupolala.com



SALES (MXN\$mm)



EBITDA (MXN\$mm)



CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2014

Fourth quarter net sales increased by 492 million pesos year on year; from 11,092 million pesos in the fourth quarter of 2013 to 11,584 million pesos for the same period in 2014. This increase is due to the pricing strategy we have implemented during the last quarter of 2014, as well as to an increase in higher value-added product mix, and, to a lesser extent, to an improvement in sales volumes.

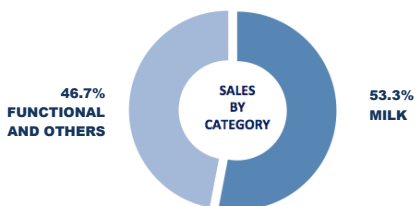
Fourth quarter 2014 gross profit increased by 4.9% to reach 4,298 million pesos, with a 37.1% gross margin, as compared to the 36.9% gross margin reported for the same period in 2013. This slight 0.2 percentage point increase in gross margin is due to, the pricing strategy implemented during the fourth quarter of 2014 and, to a lesser extent, to product mix. These variations were partially offset by the impact of peso/dollar depreciation on the Company's raw material costs over the last twelve months.

Operating expenses as a percentage of sales decreased by 0.2 percentage points; from 26.9% in the fourth quarter of 2013 to 26.7% for the same period in 2014. This improvement is primarily attributable to operating leverage generated by the increase in sales and, to a lesser extent, to a decrease in operating expenses resulting from productivity-related investments. These effects were partially offset by non-recurring expenses related to plant closures as part of the process of centralizing production capacity.

Therefore; fourth quarter 2014 EBITDA increased by 5.9% to 1,462 million pesos, as compared to 1,381 million pesos for the same period in 2013. EBITDA margin as a percentage of sales increased by 20 basis points; from 12.4% in the fourth quarter of 2013 to 12.6% for the same period in 2014. EBITDA margin expansion in the fourth quarter was primarily attributable to the efficiencies and improvements in costs and expenses as described above.

Fourth quarter 2014 operating income increased by 6.4%, or 73 million pesos, to reach 1,202 million pesos, as compared to 1,129 million pesos for the same period in 2013. This was primarily due to the 81 million pesos increase in EBITDA, an effect that was offset by a 8 million pesos increase in depreciation, amortization, and trademarks impairments.

Fourth quarter consolidated net income reached 723 million pesos; a 1 million peso year-on-year decrease from a fourth quarter 2013 net income of 724 million pesos. This decrease is attributable to the 211 million pesos negative variation in Net of Financial (income) expenses which was offset by 131 million pesos decrease in income taxes, a 73 million pesos increase in operating income, and the 6 million pesos positive variation in share of results from associated companies. Excluding losses related to LALA's hedging strategy, LALA would have experienced a 20.2% increase in net income, year on year.



Net Sales by Category

Grupo LALA's product sales are divided into two categories: Milk, and Functional Dairy Products and Others. Fourth quarter 2014 Milk category sales represented 53.3% of total sales, as compared to Milk sales representing 55.1% of total sales for the same period in 2013. Functional Dairy Products and Others represented 44.9% and 46.7% in the fourth quarter of 2013 and 2014, respectively.



NON OPERATING RESULTS

Net Financial Expenses (Income)

Fourth quarter 2014 Net Financial Expenses (Income) closed with a variation of 211 million pesos, reaching a net financial expense of 135 million pesos as compared with 76 million pesos in net financial profit for the same period of the prior year. This loss is attributable to 143 million pesos impact on results from financial instruments, due to the hedging strategy the Company has had in place over the last twelve months, as well as an 83 million pesos exchange-related loss due to the depreciation of the peso against the US dollar. This was partially offset by a 15 million pesos increase in net interest income resulting from a decreased debt position and the registered cash position.

Taxes on Earnings

The tax on earnings for the fourth quarter 2014 amounted to 350 million pesos; a 131 million peso decrease, year on year. The variation in the effective tax rate compared to the same quarter of last year is due to tax reform related adjustments in tax provisions made in the fourth quarter of 2013.

15 million pesos
In Net Interest Income

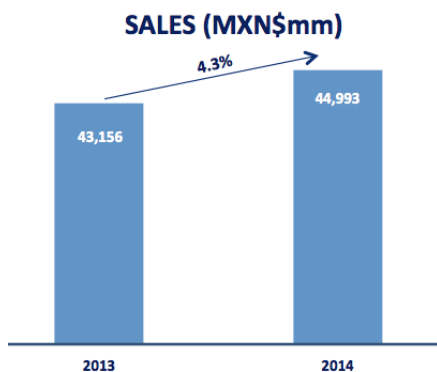
32.6%
Effective Tax Rate

CONSOLIDATED RESULTS FOR THE FULL YEAR 2014

The following table shows a condensed Income Statement in millions of pesos. The margin for each figure represents its ratio with net sales and the percentage change from the year ended December 31, 2014, in comparison with the same period of 2013:

	2013	MARGIN %	2014	MARGIN %	VAR %
Net Sales	\$ 43,156	100.0%	\$ 44,993	100.0%	4.3%
Gross Profit	15,548	36.0%	16,312	36.3%	4.9%
Operating Income	4,213	9.8%	4,470	9.9%	6.1%
EBITDA ⁽¹⁾	5,279	12.2%	5,471	12.2%	3.6%
Net Income ⁽²⁾	2,821	6.5%	3,116	6.9%	10.4%

(1) EBITDA is defined as operating income before depreciation, amortization, and trademarks impairments.
(2) Net Income refers to Net Income from Continuing Operations.

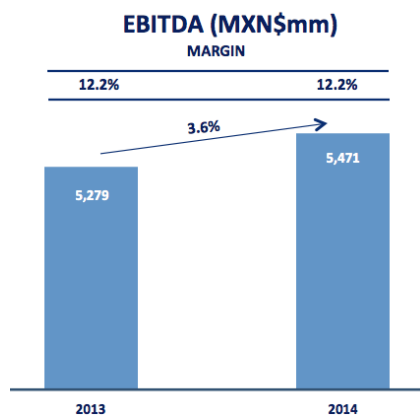


2014 Net sales increased by 4.3% to 44,993 million pesos, as compared with 43,156 million pesos for the same period of 2013. The increase in sales was primarily due to pricing strategy exercised during the year, to non-organic growth as a result of new products and brands in the portfolio, as well as the mix of products with higher added value. This increase was partially offset by a decrease in sales volumes as a result of a weak macroeconomic environment and consumption.

Full year 2014 gross profit increased by 764 million pesos to 16,312 million pesos, with 36.3% in gross margin, as compared with the 36.0% reported in 2013. The 0.3 percentage point improvement in gross margin is mainly attributable to the increase in sales resulting from the business and pricing strategy implemented during the year and, in a lesser extent, to the effect resulting from product mix. This was partially offset by the increase in the cost of certain raw materials as a result of the depreciation of the peso against the dollar in the last twelve months.



Results
Fourth Quarter and Full Year 2014



295 million pesos
Net Income increase

3,452 million pesos
CAPEX 2014

7,196 million pesos
Cash as of December 31, 2014

EBITDA for the full year 2014 increased by 3.6% to 5,471 million pesos, as compared with 5,279 million pesos for the full year 2013. The EBITDA margin as a percentage of sales for the full year 2014 closed at 12.2%, which reflects no change, year on year. Margins remained stable in 2014 due to the percentage improvement in gross profit which resulted from the business and pricing strategy implemented during the year. This effect was partially offset by an increase in expenses as a percentage of sales.

2014 consolidated net income from continuing operations increased by 295 million pesos to reach 3,116 million pesos, as compared with 2,821 million pesos in net income from continuing operations for the full year 2013. This was due to the 257 million pesos increase in operating income, to the 26 million pesos increase in results from associated companies, and to the 16 million pesos increase in Net Financial Expenses (Income). This was partially offset by the 4 million pesos increase in tax on earnings.

FINANCIAL POSITION

CAPEX

For the twelve months ended December 31, 2014, the Company invested 3,452 million pesos in CAPEX; 69.3% of which was earmarked for growth-related investments and the remaining 30.7% for maintenance CAPEX. Growth-related investments included investments in new plants, distribution efficiencies, commercial strategies, and production capacity, among others.

Cash, Short-term Investments and Financial Instruments

Grupo LALA's Cash, Short-Term Investments and Financial Instruments decreased by 1,267 million pesos to reach 7,196 million pesos as of December 31, 2014; a decrease from a balance of 8,463 million pesos as of December 31, 2013. The decrease is mainly a result of capital investments made in the past 12 months, which was partially offset by cash flow generated by the Company throughout 2014.

Taxes and other accounts receivable

The balance in the Taxes and other receivables increased by 1,107 million pesos; from 1,132 million pesos at December 31, 2013 to 2,239 million pesos as of December 31, 2014. This increase is primarily attributable to the accumulation on balances of recoverable Value Added Tax (VAT), as a result of a delay in the recovery process.

Deferred Income Tax

Based on IFRS accounting standards, Grupo LALA's financial statement presents the Company's deferred income taxes separately, unlike this item was previously presented as part of the net balance. Moving forward, deferred income taxes will be presented separately within the asset and liabilities line. As of December 31, 2014, Grupo LALA's deferred Income Tax balance increased by 264 million pesos. This same effect can be noted on liabilities for deferred Income Tax and other tax liabilities as an increase of 251 million pesos.



**88.9% decrease
in Total Debt as of
December 31, 2014**

Debt

As of December 31, 2014, the Company's total debt decreased by 646 million pesos, closing at 81 million pesos, as compared with 727 million pesos reported on December 31, 2013. This decrease was due to debt payments made over the last twelve months and to the pre-payment of debt using the proceeds derived from the Company's IPO. The Company's remaining balance of debt as of December 31, 2014 is related to financial leases required for the Company's successful operation.

Key Financial Highlights

As of December 31, 2014, the Company's key financial ratios were as follows:

Financial Metrics	4Q-13	4Q-14
EBITDA ⁽⁴⁾ / Interest Paid	30.4x	405.6x
Net Debt / EBITDA ⁽⁴⁾	(1.5)x	(1.3)x
EV / EBITDA ⁽⁴⁾	12.1x	11.6x

Stock Market Indicators	4Q-13	4Q-14
Book Value per Share	\$6.57	\$8.96
EPS ⁽³⁾ (12 month)	\$1.35	\$1.25
Shares Outstanding*	2,474.4	2,474.4
Share Price, September 30, 2014	\$28.91	\$28.43

Earnings Per Share
\$1.25 pesos

(3) EPS is Earnings per Share LTM.

(4) Stocks considered to calculate EPS are the result of the weighting of the last 12 months

* Millions of shares.

Fourth Quarter 2014 Relevant Events

- **February 16, 2015** – Grupo LALA announces a dividend payment in the amount of 0.51 pesos per share. This dividend will be paid in four separate tranches against the delivery of a coupon, in February 25, May 27, August 26, and November 25, 2015.
- **February 4, 2015** – Grupo LALA announces that the Company has been included in the Mexican Stock Exchange's IPC Sustainability Index, effective February 3, 2015 through January 29, 2016.
- **February 5, 2015** – Grupo LALA announces that Mr. Scot Rank will succeed Mr. Arquímedes Celis as CEO, effective June 2015. Mr. Celis will be retiring from the Company but will remain as an active member of LALA's Board of Directors.



CONFERENCE CALL INVITATION

Friday, February 27, 2015,
at 1:00pm ET / 12:00pm

Mexico City Time

Led by Arquímedes Celis,
Chief Executive Officer,
and Gabriel Fernández,
Chief Financial Officer.

Scot Rank, CEO-elect, will
be present during the call.

To participate, please
dial-in ten minutes ahead
of the scheduled time:

Mexico:
01 800 522 0034

United States
(Toll Free):
+1 877 705 6003

International:
+1 201 493 6725



Fourth Quarter-2014 Relevant Events

- **December 17, 2014** – Grupo LALA reports that it has entered into an agreement to acquire the assets of Eskimo S.A. and affiliates in Central America. The transaction will be funded through internal resources.
- **November 12, 2014** – Grupo LALA announces that Antonio Zamora Galland will be stepping down as the Company's Chief Financial Officer. Gabriel Fernández Ares de Parga will be assuming the role of CFO.

Analyst Coverage

- As of February 27, 2015, the Company is covered by the following twenty brokerage firms: JP Morgan, Morgan Stanley, BBVA Bancomer, Barclays, Citi, Goldman Sachs, Santander, Credit Suisse, UBS, Bank of America Merrill Lynch, Scotiabank, Vector Casa de Bolsa, GBM Casa de Bolsa, Banco Ve por Más, Invex Banco, Intercam, Actinver, Grupo Financiero Interacciones, Grupo Financiero Banorte, and Punto Casa de Bolsa.

Share Buyback Program

- As of December 31, 2014, the Company's Share Buyback Program had a balance of 606,561 shares, at an average Price of \$28.46 for a total of 17 million pesos.

About LALA

Grupo LALA, (BMV: LALAB), Mexico's leader in healthy and nutritious foods, has a history of more than 60 years of experience in the production, innovation and marketing of milk and dairy products under the highest quality standards. The Company operates 17 production plants and 161 distribution centers in Mexico and Central America, supported by more than 31,000 employees. Grupo LALA's fleet of approximately 7,300 vehicles distributes its more than 600 products to nearly 500,000 points of sale. LALA's portfolio is led by its two main brands: LALA® and Nutri Leche®.

For more information visit: www.grupolala.com

Grupo LALA trades on the Mexican Stock Exchange under the ticker symbol "LALA B"

This press release contains certain forward-looking statements about the Company's results and outlook. However, actual results may vary materially from these estimates. The information on future events contained in this press release should be read together with a summary of these risks, which are included in the Annual Report. That information, as well as future reports issued by the Company or any of its representatives, whether verbally or in writing, may vary materially from actual results. These projections and estimates, which were prepared with reference to a specific date, should not be considered as fact. The Company has no obligation whatsoever to update or revise any of these projections and estimates, whether as a result of new information, future events, or other associated events.



GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND TWELVE MONTHS
ENDED DECEMBER 31, 2013 AND 2014
(In thousands of nominal pesos)

	For the three months ended				For the twelve months ended			
	December 31,				December 31,			
	2013		2014		2013		2014	
Net sales	\$ 11,091,525	100.0%	\$ 11,584,068	100.0%	\$ 43,155,853	100.0%	\$ 44,992,965	100.0%
Cost of goods sold	6,995,322	63.1%	7,286,470	62.9%	27,608,078	64.0%	28,680,723	63.7%
Gross profit	4,096,203	36.9%	4,297,598	37.1%	15,547,775	36.0%	16,312,242	36.3%
Net of other income	(18,294)	(0.2)%	(283)	(0.0)%	(44,385)	(0.1)%	(128,982)	(0.3)%
Operating expenses	2,985,408	26.9%	3,096,220	26.7%	11,378,876	26.4%	11,970,804	26.6%
Operating Income	1,129,089	10.2%	1,201,661	10.4%	4,213,284	9.8%	4,470,420	9.9%
Net of financial (income) expenses								
Net of financial income	(47,077)	(0.4)%	(62,331)	(0.5)%	78,964	0.2%	(270,162)	(0.6)%
Exchange rate loss (profit)	(7,776)	(0.1)%	74,826	0.6%	(9,861)	(0.0)%	74,519	0.2%
Financial instruments	(20,850)	(0.2)%	122,586	1.1%	(129,647)	(0.3)%	119,597	0.3%
	(75,703)	(0.7)%	135,081	1.2%	(180,924)	(0.4)%	(76,046)	(0.2)%
Share in the results of associated companies	393	0.0%	6,043	0.1%	(20,601)	(0.0)%	5,776	0.0%
Income before taxes	1,205,185	10.9%	1,072,623	9.3%	4,373,607	10.1%	4,552,242	10.1%
Tax on earnings	481,406	4.3%	350,006	3.0%	1,432,031	3.3%	1,436,420	3.2%
Discontinued operations	0	0.0%	0	0.0%	(205,635)	(0.5)%	0	0.0%
Net consolidated income	723,779	6.5%	722,617	6.2%	3,147,211	7.3%	3,115,822	6.9%
Non-controlling interest	11,682	0.1%	11,230	0.1%	36,678	0.1%	34,128	0.1%
Depreciation, amortization, and trademarks impairments	251,661	2.3%	260,527	2.2%	1,065,556	2.5%	1,000,660	2.2%



GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2013 AND 2014
(In thousands of nominal pesos)

	As of December 31, 2013	As of December 31, 2014
ASSETS		
Cash and cash equivalents	\$ 8,442,052	\$ 5,414,288
Investments in financial instruments	20,850	1,782,177
Accounts receivable	2,427,183	2,689,345
Taxes and other accounts receivable	1,131,651	2,239,211
Related parties	193,883	136,380
Inventories	2,628,997	2,783,671
Prepaid expenses	231,083	188,458
Current assets	15,075,699	15,233,530
Investments in associates	99,712	100,319
Property, plant and equipment, net	9,933,806	12,361,206
Intangible and other assets	1,223,620	1,966,269
Deferred income tax	0	264,465
Non-current assets	11,257,138	14,692,259
Total assets	\$ 26,332,837	\$ 29,925,789
LIABILITIES		
Short-term bank loans	\$ 646,421	\$ 31,029
Suppliers	2,261,357	2,324,063
Financial instruments liability	0	146,080
Related parties	304,938	340,337
Taxes and other accounts payable	984,261	1,635,659
Current liabilities	4,196,977	4,477,168
Long-term liabilities		
Long-term debt	80,752	49,723
Deferred income tax and other taxes payable	1,261,837	1,512,815
Other accounts payable	588,907	584,927
Long-term liabilities	1,931,496	2,147,465
Total liabilities	6,128,473	6,624,633
SHAREHOLDERS EQUITY		
Capital Stock	1,492,652	1,492,652
Net premium in share placement	13,691,891	13,690,728
Retained earnings	2,166,700	4,760,068
Income of the year	2,578,883	3,081,694
Equity attributable to equity holders of the parent	19,930,126	23,025,142
Non-controlling interest	274,238	276,014
Total shareholders equity	20,204,364	23,301,156
Total liabilities and shareholders equity	\$ 26,332,837	\$ 29,925,789



GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED CASH FLOW STATEMENT FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 2013 AND 2014
(In thousands of nominal pesos)

	As of December 31, 2013	As of December 31, 2014
Operating activities:		
Income before taxes from continuing operations	\$ 4,253,227	\$ 4,552,242
Depreciation, amortization, and trademarks impairment	1,065,558	1,000,661
Changes in net financial expenses (income)	(50,489)	(152,483)
Loss on sale of property, plant, equipment, and intangibles	2,674	(9,787)
Other items	94,628	64,396
Total	5,365,598	5,455,029
Changes in operation assets and liabilities		
Accounts receivable	(82,154)	(258,379)
Inventories	(202,211)	(149,646)
Related parties	(1,348,046)	7,361
Suppliers	264,539	(353,754)
Taxes, other accounts receivable and prepaid expenses	(1,388,289)	(2,064,797)
Other assets and liabilities	(555,209)	407,795
Total	(3,311,370)	(2,411,420)
Net cash flow provided by continuing operating activities	2,054,228	3,043,609
Net cash flow provided by discontinued operating activities	540,221	0
Net cash flow provided by operating activities	2,594,449	3,043,609
Investing activities		
Acquisition of property, plant, equipment, and intangibles	(1,234,056)	(3,736,165)
Proceeds from sale of property, plant, and equipment	24,473	25,599
Investments in Financial instruments	0	(1,767,511)
Dividends received	21,640	0
Net cash flow used in continuing investing activities	(1,187,943)	(5,478,077)
Net cash flow used in discontinuing investing activities	(403,253)	0
Net cash flow used in investing activities	(1,591,196)	(5,478,077)
Financing activities		
Net of loans and payment of loans from related parties	(245,448)	70,189
Net of financing and payment of financing	(4,076,904)	(662,881)
Repurchase of shares	0	(17,260)
Capital stock increase	14,055,555	0
Dividends paid to equity holders of the parent	(2,411,862)	0
Dividends paid to non-controlling interest	(29,891)	(32,340)
Future exchange contracts collected	108,797	46,188
Issue of share capital costs	(415,473)	0
Net cash flows used in continuing financing activities	6,984,774	(596,104)
Net cash flows used in discontinued financing activities	(206,794)	0
Net cash flows used in financing activities	\$ 6,777,980	\$ (596,104)
Net increase of cash and equivalents	7,781,233	(3,030,572)
Adjustments to cash due to exchange rate fluctuations	(846)	2,808
Cash and equivalents at beginning of the year	1,028,323	8,442,052
Cash and equivalents at the end of the year	8,808,710	5,414,288
Cash and equivalents at the end of the year of discontinued operations	366,658	0
Cash and cash equivalents at the end of the year of continuing operations	\$ 8,442,052	\$ 5,414,288