



GRUPO LALA CONCLUDES ACQUISITION OF VIGOR ALIMENTOS

Mexico City, October 26th, 2017 - Grupo Lala, S.A.B. de C.V. (BMV "LALA") is pleased to announce that it has completed the acquisition of 99.9% of the shares of the Brazilian dairy company Vigor Alimentos, S.A. ("Vigor"), and the 50% of the shares of Itambé Alimentos, S.A. ("Itambé"), also a Brazilian dairy company, for an implied value of R\$ 5,025 million.

Following the relevant event published on September 21st, the Cooperativa Central dos Produtores Rurais de Minas Gerais Ltda ("CCPR") is expected to exercise its right of first refusal to acquire 50% of the remaining Itambé shares, belonging to Vigor, so the net implied value of the Transaction would be R\$ 4,325 million.

The Transaction was financed with a bridge loan for \$25,229 million pesos with the banks JP Morgan, BBVA Bancomer and Santander; the refinancing of the bridge loan will be through long-term debt and possible bond issue.

Founded in 1917, Vigor has a consolidated infrastructure of over 3,900 employees, 3 milk collection centers, 9 production facilities and 19 distribution centers reaching 47,000 points of sale, with a strong presence in the states of Sao Paulo, Minas Gerais and Rio de Janeiro.

Vigor's estimated revenues for 2017 are R\$ 2,407 million in Net Sales and an EBITDA of R\$ 200 million, with a margin of 8.3%.

Message from Management

Scot Rank, Grupo LALA's CEO, commented: "We are very excited about the Vigor acquisition. I am sure that Lala and Vigor are a solid combination to build a leading company in Brazil of healthy and nutritious products, since they have the scale, portfolio, innovation and talent needed. With this acquisition, Grupo Lala continues building a profitable business of value-added products".

About LALA

Grupo LALA, (BMV: LALA), Mexican company focused on healthy and nutritious foods, has a history of more than 65 years of experience in the production, innovation and marketing of milk and dairy products under the highest quality standards. The Company operates 22 production plants and 157 distribution centers in Mexico, United States and Central America, supported by more than 34,000 employees. Grupo LALA's fleet of approximately 6,500 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: www.grupolala.com

Limitation of Responsibility: 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.

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