



GRUPO LALA REPORTS FOURTH QUARTER AND FULL YEAR 2015 RESULTS

Mexico City, February 22, 2015 – Grupo LALA, S.A.B. de C.V., a Mexican Company focused on healthy and nutritious foods, (“LALA”) (BMV: LALA B), today reported results for the fourth quarter and full year 2015. The following information has been presented based on International Financial Reporting Standards (IFRS) and in nominal terms.

The following chart 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, 2015, as compared with the same period in 2014:

P&L	4th. Q '14	% Sales	4th. Q '15	% Sales	Var. %
Net Sales	\$ 11,584	100.0%	\$ 12,530	100.0%	8.2%
Gross Profit	4,298	37.1%	4,911	39.2%	14.3%
Operating Income	1,202	10.4%	1,490	11.9%	24.0%
EBITDA⁽¹⁾	1,462	12.6%	1,802	14.4%	23.2%
Net Income⁽²⁾	723	6.2%	1,034	8.3%	43.0%

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

(2) Net Income refers to Consolidated Net Income.

HIGHLIGHTS

8.2% increase in Net Sales reaching **12,530 million pesos**

180bps EBITDA⁽¹⁾ margin expansion closing at **14.4%**

43.0% increase in Net Income⁽²⁾ closing at **1,034 million pesos**

Declared a dividend payment of **\$0.54 pesos** per share to be paid in 4 installments

Acquisition of "La Perfecta" Company in Nicaragua to expand **Central America** operations

Message from Management

Scot Rank, Grupo LALA's CEO:

"2015 was a year of many challenges, but also of significant achievements, it was a year when LALA was able to prepare to face the future, maintaining the solid results that define us." **He added:** "With the right approach and strategies, during 2016 we will keep delivering results that reiterate the commitment towards distribution of value for all of our interest groups."





CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2015

Fourth quarter 2015 net sales increased by 8.2% year on year, from 11,584 million pesos in the fourth quarter of 2014 to 12,530 million pesos for the same period in 2015. This increase was due to increased volume driven by the different business and sales strategies that the Company implemented in Mexico. It was also due to organic growth in the Central America operations and to inorganic growth related to the consolidation of Eskimo, S.A. business, which represented 2.2 percentage points of LALA's total growth in the quarter.

Sales have been divided into three segments based on product type in order to better reflect LALA's product mix:

Segment	4th. Q '14	4th. Q '15	% Variation
Milk ⁽³⁾	\$ 7,618	\$ 8,217	7.9%
Other Dairy Products ⁽⁴⁾	3,192	3,700	15.9%
Beverages and Others ⁽⁵⁾	774	613	(20.9)%

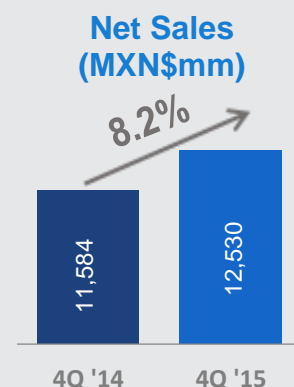
(3) Milk: Pasteurized, UHT and functional milks, pasteurized and UHT dairy-based beverages, and powdered milk.

(4) Other Dairy Products: Cream, butter, cream-based spreads, yoghurt, cheese, ice cream and desserts.

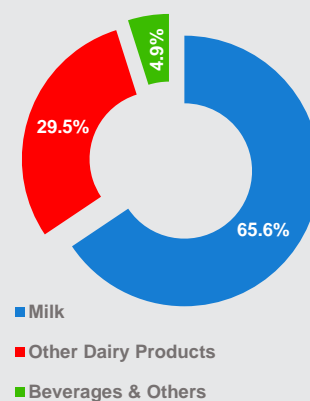
(5) Beverages and Others: Beverages, tea, juices, cold cuts and other income.

Fourth quarter 2015 gross profit increased by 14.3%, to reach 4,911 million pesos with a 39.2% gross margin, as compared to the 37.1% gross margin reported for the same period in 2014. The improvement in gross margin is due to the increase in sales as a result of volume expansion as well as to a favorable product mix and conversion cost savings as a result of the productivity investments made, as well as to improved control of raw material costs. This was partially offset by increases in certain raw material costs due to the depreciation of the Mexican peso relative to the US dollar.

Expansion of
210bps
in Gross Margin



Sales by Segment





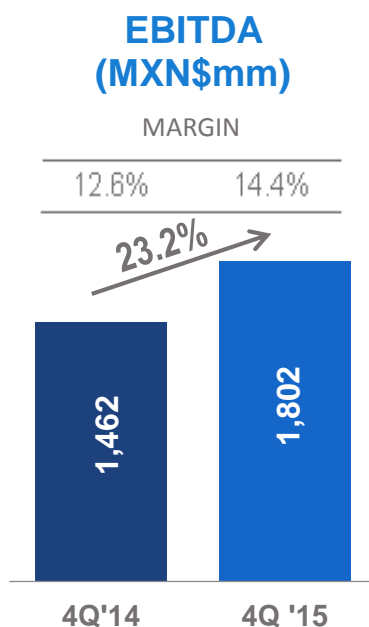
Operating expenses as a percentage of sales increased by 0.5 percentage points, from 26.7% in the fourth quarter of 2014 to 27.2% for the same period in 2015. This variation in costs was partially attributable, to non-recurring transformation-related expenses, as well as expenses resulting from the consolidation of Eskimo S.A.

Fourth quarter 2015 operating income increased by 24.0%, to reach 1,490 million pesos. Therefore, fourth quarter 2015 EBITDA increased by 23.2% to 1,802 million pesos, as compared to 1,462 million pesos for the same period in 2014. EBITDA margin expansion reached 180 basis points, from 12.6% in the fourth quarter of 2014 to 14.4% for the same period in 2015.

Fourth quarter consolidated net income increased by 311 million pesos, reaching a total of 1,034 million pesos. This increase was due to the 288 million pesos increase in operating income and to the positive variation of 171 million pesos in net financial income. This effect was offset by the 145 million pesos increase in income tax due to the pre-tax profit growth and to the decrease of 3 million pesos in the result of associated companies.

Increase of
288 million pesos
in Operating Income

311 million pesos
increase in Net Income



LALA Yoghurt
Natural Strawberry & Chia 150g





NON-OPERATING RESULTS

Net financial expenses (Income)

Fourth quarter 2015 net financial income a positive variation of 171 million pesos, closing with a 36 million pesos profit as compared to the 135 million pesos expense for the same period in 2014. This variation was due to a 106 million pesos favorable impact on financial instruments due to the cancellation of the forward contract derivative instrument that the Company had active for hedging purposes, the decrease for 57 million pesos exchange-related loss due to peso/dollar depreciation, and to the 8 million pesos increase in net interest income.

Tax on earnings

Tax on earnings for the fourth quarter 2015 amounted to 495 million pesos; a 145 million pesos year on year increase, due to the 456 million pesos growth in pre-tax profit for the fourth quarter of 2015.

Net Interest Income
71 million pesos

INNOVATION & NEW PRODUCTS



Sliced
Manchego
Cheese
400g



Shredded
Manchego
Cheese
250g



Panela
Resealable
200g



Oaxaca
Resealable
200g



Agrofood 2015 National Prize,
awarded to Ultra Plant of
Complejo Industrial Laguna





CONSOLIDATED RESULTS FOR THE FULL YEAR 2015

The following chart 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 year ended December 31, 2015, as compared with the same period in 2014:

P&L	2014	% Sales	2015	% Sales	Var. %
Net Sales	\$ 44,993	100.0%	\$ 48,183	100.0%	7.1%
Gross Profit	16,312	36.3%	18,858	39.1%	15.6%
Operating Income	4,470	9.9%	5,640	11.7%	26.2%
EBITDA ⁽¹⁾	5,471	12.2%	6,810	14.1%	24.5%
Net Income ⁽²⁾	3,116	6.9%	3,953	8.2%	26.9%

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

(2) Net Income refers to Consolidated Net Income.

2015 Net sales increased by 7.1% to 48,183 million pesos, as compared with 44,993 million pesos for the same period of 2014. The increase in sales was primarily due to the pricing strategy implemented, to the increase in volumes as a result of the business and sales strategies, and to non-organic growth from the acquisition of Eskimo S.A., and the operation of new categories in the portfolio.

Sales have been divided into three segments based on product type in order to better reflect LALA's product mix:

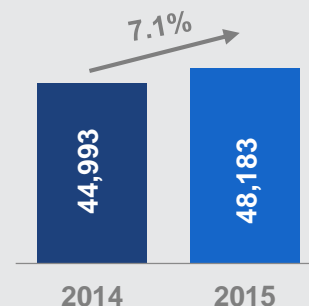
Segment	2014	2015	% Variation
Milk ⁽³⁾	\$ 29,583	\$ 31,441	6.3%
Other Dairy Products ⁽⁴⁾	12,543	14,208	13.3%
Beverages and Others ⁽⁵⁾	2,867	2,534	(11.6)%

(3) **Milk:** Pasteurized, UHT and functional milks, pasteurized and UHT dairy-based beverages, and powdered milk.

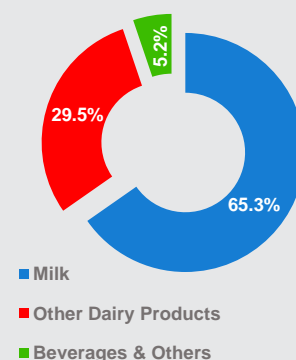
(4) **Other Dairy Products:** Cream, butter, cream-based spreads, yoghurt, cheese, ice cream and desserts.

(5) **Beverages and Others:** Beverages, tea, juices, cold cuts and other income.

Net Sales (MXN\$mm)



Sales by Segment





Full year 2015 gross profit increased by 2,546 million pesos to 18,858 million pesos, with 39.1% in gross margin, as compared with the 36.3% reported in 2014. The 2.8 percentage point improvement in gross margin is mainly attributable to the growth in sales resulting from improved volume and product mix effect, and to the conversion cost savings due to the productivity investments made, as well as to a more efficient control of raw material costs. This was partially offset by increases in certain raw material costs due to the depreciation of the Mexican peso relative to the US dollar.

2015 operating income grew 26.2%, to close at 5,640 million pesos. Therefore, EBITDA for the full year 2015 increase 24.5% to 6,810 million pesos, as compared with 5,471 million pesos for the full year 2014. The EBITDA margin as a percentage of sales achieved a 190 basis points expansion, from 12.2% for the full year 2014 to 14.1% for the full year 2015.

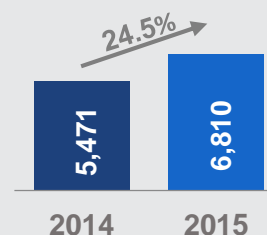
2015 consolidated net income grew 837 million pesos to close at 3,953 million pesos, as compared with 3,116 million pesos for the full year 2014. This was due to the 1,170 million pesos increase in operating income, to the 61 million pesos increase in Net Financial Income and to the 6 million pesos growth in results from associated companies. This was partially offset by the 400 million pesos increase in tax on earnings.

Increase of
2,546 million pesos
In Gross Profit

**EBITDA
(MXN\$m)**

MARGIN

12.2%	14.1%
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26.9%
Increase in Net Income



LALA Yoghurt
Berries & Amaranth 150g





FINANCIAL POSITION

CAPEX

For the twelve months ended December 31, 2015, the Company deployed 2,422 million pesos in CAPEX, 50.7% of which was directed towards investments in property, plant and equipment, among others. The remaining 49.3% was directed towards operational maintenance.

Cash, short-term investments and financial instruments

Grupo LALA's cash and short-term investments increased by 2,081 million pesos, from 7,196 million pesos at December 31, 2014 to 9,277 million pesos at December 31, 2015. This increase is primarily due to the 5,994 million pesos in net cash operations generated by the Company over the last twelve months, with a benefit of a significantly improved working capital position.

Accounts receivable

Grupo LALA's accounts receivable increased by 510 million pesos, from 2,689 million pesos at December 31, 2014 to 3,199 million pesos at December 31, 2015. This is mainly attributable to increased sales in the modern trade channel and, to a lesser extent, to the integration of the Eskimo S.A. accounts receivables into the consolidated Company.

Inventories

The increase of 283 million pesos in the inventory account is mainly the result of the opportunities taken in some raw materials derived from the cyclical weather effect on their production.

Accounts payable

Accounts payable at the end of December 2015 closed at 4,252 million pesos, representing a 1,928 million pesos increase compared with 2,324 million at the end of December 2014. This increase is primarily attributable to an improved working capital position.

Accounts payable

51 days

CAPEX
12M-2015
2,422 million pesos

9,277 million pesos
Cash as of
December 31, 2015



LALA Yoghurt
Tropical Fruit & Chia 150g





Taxes and other accounts payable

Taxes and other accounts payable increased by 406 million pesos, from 1,800 million pesos at December 31, 2014 to 2,206 million pesos at December 31, 2015. This is primarily due to the lag in the recoverability of the balance of VAT retrieval.

Total debt

At the end of the fourth quarter 2015, the Company's total debt decreased by 31 million pesos, closing at 50 million pesos. This decrease was due to debt payments made over the last twelve months. The Company's debt balance as of December 31, 2015 is related to financial leases required for the Company's operation.

Key financial data

As of December 31, 2015, the Company's key financial ratios were as follows:

Financial Metrics	4th. Q '14	4th. Q '15
EBITDA ⁽¹⁾ / Interest Paid	405.6x	558.3x
Net Debt / EBITDA ⁽¹⁾	(1.3)x	(1.4)x

Stock Market Indicators	4th. Q '14	4th. Q '15
Book Value per Share ⁽⁶⁾	\$8.96	\$9.87
Earnings Per Share ⁽⁷⁾ (12 months)	\$1.25	\$1.58
Shares Outstanding*	2,474.4	2,474.4

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

(6) Shares used for Book Value ratio, are based on the weighting outstanding shares of the last twelve months.

(7) EPS as of the last twelve months.

* Millions of shares at the end of each quarter.

50 million pesos

Total Debt as of
4Q-2015

Earnings per share

\$1.58 pesos



LALA Yoghurt
With Quinoa 150g





4Q-2015 Relevant Events

- **November 13, 2015** - Grupo LALA announced a cash dividend payment on Coupon No. 6 of the dividend declared on February 09, 2015. Said payment was made on November 25, 2015 in the amount of \$0.1275 Mexican pesos for each LALA share outstanding at the date of payment.

Sell-side analyst coverage

As of December 31, 2015, the Company is covered by the following 20 financial institutions: J.P. Morgan, Morgan Stanley, BBVA Bancomer, Barclays, Citigroup, Goldman Sachs, Santander, Credit Suisse, UBS, Bank of America Merrill Lynch, Scotiabank, BTG Pactual, Vector Casa de Bolsa, GBM Grupo Bursátil Mexicano, Casa de Bolsa Ve por Más, INVEX Banco, Intercam, Actinver, Casa de Bolsa Interacciones, Banorte-lxe.

Share buyback program

As of December 31, 2015, the Company's share buyback program had a balance of 1,627,830 shares, at an average price of \$32.29 for a total of 53 million pesos.

About LALA

Grupo LALA, (BMV: LALA B), 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 17 production plants and 165 distribution centers in Mexico and Central America, supported by more than 34,000 employees. Grupo LALA's fleet of approximately 7,500 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 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.



CONFERENCE CALL

Tuesday, February 23, 2016
at 11:00am EST / 10:00am CST
Led by:

Scot Rank,
Chief Executive Officer
and
Gabriel Fernández
Chief Financial Officer

Webcast:
[Grupo LALA Presentation](#)

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

México:
01 800 522 0034

United States:
+1 877 705 6003
(Toll-free)

International:
+1 201 493 6725

To access the replay service (2 days), please dial:

United States:
+1 877 870 5176
(Toll-free)

International:
+1 858 384 5517

PIN #: 13629170





GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND TWELVE MONTHS
ENDED DECEMBER 31, 2014 AND 2015
(In thousands of nominal pesos)

	For the three months ended				For the twelve months ended			
	December 31,		December 31,		December 31,		December 31,	
	2014	2015	2014	2015	2014	2015	2014	2015
Net sales	\$ 11,584,068	100.0%	\$ 12,529,593	100.0%	\$ 44,992,965	100.0%	\$ 48,182,893	100.0%
Cost of goods sold	7,286,470	62.9%	7,618,416	60.8%	28,680,723	63.7%	29,324,494	60.9%
Gross profit	4,297,598	37.1%	4,911,177	39.2%	16,312,242	36.3%	18,858,399	39.1%
Other income (expenses), net	(283)	(0.0)%	17,658	0.1%	(128,982)	(0.3)%	20,615	0.0%
Operating expenses	3,096,220	26.7%	3,403,847	27.2%	11,970,804	26.6%	13,197,353	27.4%
Operating Income	1,201,661	10.4%	1,489,672	11.9%	4,470,420	9.9%	5,640,431	11.7%
Net of financial (income) expenses								
Net of financial income	(62,331)	(0.5)%	(70,542)	(0.6)%	(270,162)	(0.6)%	(248,795)	(0.5)%
Exchange rate (profit) loss	74,826	0.6%	18,299	0.1%	74,519	0.2%	77,424	0.2%
Financial instruments	122,586	1.1%	16,162	0.1%	119,597	0.3%	33,968	0.1%
Financial income, net	135,081	1.2%	(36,081)	(0.3)%	(76,046)	(0.2)%	(137,403)	(0.3)%
Share in the results of associated companies	6,043	0.1%	3,111	0.0%	5,776	0.0%	11,495	0.0%
Income before taxes	1,072,623	9.3%	1,528,864	12.2%	4,552,242	10.1%	5,789,329	12.0%
Income tax expense	350,006	3.0%	495,049	4.0%	1,436,420	3.2%	1,836,345	3.8%
Net consolidated income	722,617	6.2%	1,033,815	8.3%	3,115,822	6.9%	3,952,984	8.2%
Non-controlling interest	11,230	0.1%	13,648	0.1%	34,128	0.1%	42,672	0.1%
Equity holders of the parent	\$ 711,387	6.1%	\$ 1,020,167	8.1%	\$ 3,081,694	6.8%	\$ 3,910,312	8.1%
Depreciation and amortization	260,527	2.2%	312,137	2.5%	1,000,661	2.2%	1,169,628	2.4%
EBITDA	\$ 1,462,188	12.6%	\$ 1,801,809	14.4%	\$ 5,471,081	12.2%	\$ 6,810,059	14.1%





GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2014 AND 2015
(In thousands of nominal pesos)

	As of December 31, 2014	As of December 30, 2015
ASSETS		
Cash and cash equivalents	\$ 5,414,288	\$ 7,984,975
Investments in financial instruments	1,782,177	1,292,456
Accounts receivable	2,689,345	3,199,193
Taxes and other accounts receivable	2,381,959	2,467,506
Related parties	136,380	106,792
Inventories	2,783,671	3,066,660
Prepaid expenses	189,870	202,242
Current assets	15,377,690	18,319,824
Investments in associates	100,319	111,911
Property, plant and equipment, net	12,361,206	13,836,480
Intangible and other assets	1,966,269	1,953,980
Deferred income tax	264,465	273,505
Non-current assets	14,692,259	16,175,876
Total assets	\$ 30,069,949	\$ 34,495,700
LIABILITIES		
Short-term bank loans	\$ 31,029	\$ 32,070
Suppliers	2,324,063	4,252,318
Related parties	340,337	294,119
Taxes and other accounts payable	1,799,934	2,206,112
Current liabilities	4,641,443	6,784,619
Long-term liabilities		
Long-term debt	49,723	17,654
Deferred income tax and other taxes payable	1,492,700	1,308,793
Other accounts payable	584,927	740,205
Long-term liabilities	2,127,350	2,066,652
Total liabilities	6,768,793	8,851,271
SHAREHOLDERS EQUITY		
Capital Stock	1,492,652	1,492,652
Net premium in share placement	13,690,728	13,690,728
Retained earnings	4,760,068	6,262,054
Income of the year	3,081,694	3,910,312
Equity attributable to equity holders of the parent	23,025,142	25,355,746
Non-controlling interest	276,014	288,683
Total shareholders equity	23,301,156	25,644,429
Total liabilities and shareholders equity	\$ 30,069,949	\$ 34,495,700





GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED CASH FLOW STATEMENT FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 2014 AND 2015

(In thousands of nominal pesos)

	As of December 31, 2014	As of December 31, 2015
Operating activities:		
Income before taxes from continuing operations	\$ 4,552,242	\$ 5,789,329
Depreciation, amortization, and trademarks impairment	1,000,661	1,169,628
Changes in net financial expenses (income)	(152,483)	(226,363)
Results from the sale of property, plant and equipment	(9,787)	8,406
Other items	64,396	69,718
Total	5,455,029	6,810,718
Changes in operation assets and liabilities		
Accounts receivable	(258,379)	(502,109)
Inventories	(149,646)	(240,076)
Related parties	7,361	(50,057)
Suppliers	(407,264)	1,845,869
Taxes, other accounts receivable and prepaid expenses	(2,208,955)	(1,784,847)
Other assets and liabilities	605,463	(84,962)
Total	(2,411,420)	(816,182)
Net cash flow provided by operating activities	3,043,609	5,994,536
Investing activities		
Acquisition of property, plant, equipment, and intangibles	(3,736,165)	(2,353,529)
Proceeds from sale of property, plant, and equipment	25,599	38,180
Investments in Financial instruments	(1,767,511)	469,740
Net cash flow used in investing activities	(5,478,077)	(1,845,609)
Financing activities		
Net of loans and payment of loans from related parties	70,189	(34,333)
Net of financing and payment of financing	(662,881)	(46,935)
Repurchase of shares	(17,260)	(35,296)
Dividends paid to equity holders of the parent	0	(1,261,557)
Dividends paid to non-controlling interest	(32,340)	(29,676)
Future exchange contracts collected	46,188	(163,850)
Net cash flows provided (used) in financing activities	\$ (596,104)	\$ (1,571,647)
Net increase of cash and equivalents	(3,030,572)	2,577,280
Adjustments to cash due to exchange rate fluctuations	2,808	(6,593)
Cash and equivalents at beginning of the year	8,442,052	5,414,288
Cash and equivalents at the end of the year	\$ 5,414,288	\$ 7,984,975

For more information:

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www.grupolala.com