



GRUPO LALA REPORTS RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2013

HIGHLIGHTS

Dividend paid in two tranches,
for a total of
0.64 pesos per share

Solid annual growth of **7.0%**
in net sales, closing at
43,156 million pesos

Increase of **68.9%** in net
income for the full year, closing
at **2,821 million pesos**

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Mexico City, February 26, 2014 – Grupo LALA, S.A.B. de C.V. (“LALA”) (BMV: LALA), Mexico’s leader in healthy and nutritious foods, today released its results for the fourth quarter and full year 2014. This information is presented in accordance with International Financial Reporting Standards (IFRS), and in nominal terms.

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 quarter ended December 31, 2013, in comparison with the same period of 2012:

	Q4 12	MARGIN %	Q4 13	MARGIN %	VAR. %
Net Sales	\$10,398.1	100.0%	\$11,091.5	100.0%	6.7%
Gross Profit	3,731.0	35.9%	4,096.2	36.9%	9.8%
Operating Income	1,052.4	10.1%	1,129.1	10.2%	7.3%
EBITDA ⁽¹⁾	1,283.5	12.3%	1,380.7	12.4%	7.6%
Net Income ⁽²⁾	564.4	5.4%	723.8	6.5%	28.2%

(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

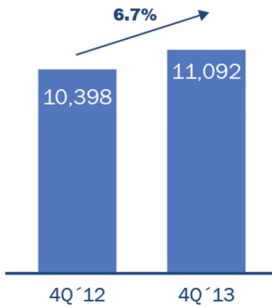
Arquímedes Celis, Grupo LALA’s CEO, commented, “2013 was an excellent year for our company; we went public and thereby reaffirmed our shareholder commitment through one of the most successful IPOs in industry history. It was also an important year as far as achievements and challenges, which reaffirmed the strength of our business model as consumers’ preference for LALA products helped us achieve growth levels above the market average. Our shareholders’ support and confidence were also decisive factors in achieving these goals.” He continued, “We believe that continued execution of our successful business model will again allow us to achieve our 2014 goals of strong growth and, as result, returns for our shareholders.”

February, 2014

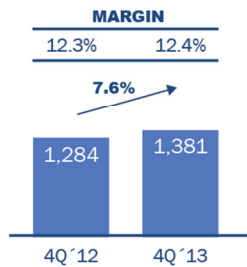


CONSOLIDATED RESULTS FOR THE FOURTH QUARTER 2013

SALES (MXN\$mm)



EBITDA (MXN\$mm)



28.2% growth in net income from continuing operations



Net sales increased 6.7%, year on year, from 10,398.1 million pesos in 2012 to 11,091.5 million pesos in 2013. This growth is mainly attributable to the Company's price increase strategy, as well as to an increased value added product mix and to non-organic growth resulting from the introduction of new products and to incorporating Nestlé's chilled portfolio line.

During the fourth quarter of 2013, gross profit rose 9.8%, year on year, increasing by 365.2 million pesos to 4,096.2 million pesos, with a gross margin of 36.9%, as compared to the 35.9% reported for the same period last year. The 1.0 percentage point gross margin improvement is due to the Company's price increase strategy which was implemented during the fourth quarter of 2013, and to a lesser extent to the product mix effect. This effect was partially offset by the impact of the peso/dollar depreciation on costs.

Operating expenses as a percentage of sales increased by 1.0 percentage point; a 25.9% increase during the fourth quarter of 2012 as compared to 26.9% for the same period of 2013. That negative variation is mainly attributable to distribution expenses for higher fuel and increased third-party freight costs due to more distribution routes in operation, as well as to expected costs related to the Nestlé chilled products transition into the Company's portfolio.

Consequently, EBITDA increased by 7.6% to 1,380.7 million pesos at the close of the fourth quarter 2013, compared with 1,283.5 million pesos for the same period last year. The 97.2 million peso increase in EBITDA is primarily attributable to the increase in sales and to achieving higher gross margin.

Fourth quarter 2013 operating income increased by 7.3%, or 76.7 million pesos, closing at 1,129.1 million pesos, compared with 1,052.4 million pesos for the same period of 2012, which is in line with EBITDA growth. This was primarily due to the 97.2 million peso increase in EBITDA, which was offset by a 20.5 million pesos increase in depreciation, amortization, and trademark impairments.

Fourth quarter consolidated net income from continuing operations increased by 159.4 million pesos, reaching 723.8 million pesos, as compared with 564.4 million pesos for the same period in 2012. This was due to the 76.7 million peso increase in operating income, as well as to the 4.9 million peso increase in results of associated companies and to the 145.8 million peso decrease in taxes on earnings as a result of a non-recurring tax event during the fourth quarter of 2012. Those variations were partially offset by the 68.0 million peso decrease in Net Financial Expenses (Income).

Net Sales by Category

Grupo LALA's product sales fall into two categories: "Milk" and "Functional Dairy Products and Others". Fourth quarter 2013 Milk sales represented 55.1% of total sales, as compared to 55.3% for the same period in 2012. Functional Dairy Products and Others represented 44.7% and 44.9% of sales in the fourth quarter of 2012 and 2013, respectively.



NON-OPERATING RESULTS

Net Financial Expenses (Income)

Fourth quarter 2013 Net Financial Expenses (Income) decreased by 68.0 million pesos; a 75.7 million peso increase year on year. This increase is due to a 120.4 million peso profit during the fourth quarter of 2012 resulting from the sale of investments and to the 77.8 million peso decrease due to exchange rate-related impacts on transactions related to the US spin-off. Those effects were partially offset by the 109.4 million pesos in net interest and to a 20.9 million peso income resulting from the derivative financial instruments which Grupo LALA has in place.

Taxes on Earnings

Taxes on earnings of 481.4 million pesos decreased by 145.8 million pesos year on year. This was due to the reserve fund established in 2012 for the purpose of hedging uncertain tax positions. In 2013, Grupo LALA successfully completed negotiations and agreements with the appropriate authorities.

CONSOLIDATED RESULTS FOR THE FULL YEAR 2013

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, 2013, in comparison with the same period of 2012:

	2012	MARGIN %	2013	MARGIN %	VAR. %
Net Income	\$40,344.9	100.0%	\$43,155.9	100.0%	7.0%
Gross Profit	14,209.6	35.2%	15,547.8	36.0%	9.4%
Operating Income	3,848.7	9.5%	4,213.3	9.8%	9.5%
EBITDA ⁽¹⁾	4,764.3	11.8%	5,278.8	12.2%	10.8%
Net Income ⁽²⁾	1,670.1	4.1%	2,821.2	6.5%	68.9%

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

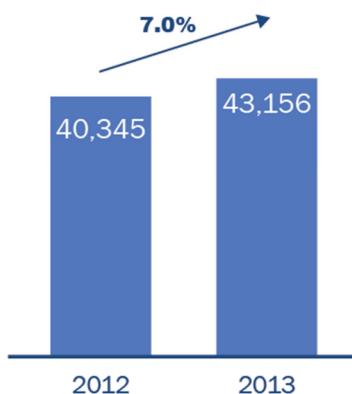
(2) Net Income refers to Net Income from Continuing Operations.

2013 Net sales increased by 7.0% to 43,155.9 million pesos, as compared with 40,344.9 million pesos for the same period of 2012. This growth is mainly attributable to a higher value added product mix, to non-organic growth as a result of new products and brands in the portfolio, to volume growth and to the Company's price increase strategy.

Full year 2013 gross profit increased by 1,338.2 million pesos to 15,547.8 million pesos, with 36.0% in gross margin, as compared with the 35.2% reported in 2012. The 0.8 percentage point improvement in gross margin is attributed to the appreciation of the peso against the dollar over the last twelve months, as well as to the positive effect from product mix and to the price increase strategy implemented during the fourth quarter of 2013. This improvement was partially offset by the increased cost of some input variables, and to a lesser extent, to the discount strategies implemented during the year.

Full year 2013 EBITDA increased by 10.8%, to 5,278.8 million pesos, as compared with 4,764.3 million pesos for the full year 2012. EBITDA margin increased by 0.4 percentage points, or 11.8%, in the full year 2012 to 12.2% in the same period of 2013. This margin expansion was primarily due to the marginality gain from increasing volume and price during the year, and to a lesser extent, to the product mix effect, in which the products with higher growth are those that have a higher margin as a percentage of sales. In addition to the above, margin expansion is a result of cost line improvement resulting from the initiatives and business strategies implemented during the year.

SALES (MXN\$mm)



EBITDA (MXN\$mm)





Net Income from
continuing operations grew
1,151 million pesos
during 2013

1,265 million pesos
in CAPEX during
2013

Cash of
8,442 million pesos
at the end 2013

82% decrease in
total debt at the
end of 2013

2013 consolidated net income from continuing operations increased by 1,151.1 million pesos, to reach 2,821.2 million pesos, as compared with 1,670.1 million pesos in net income from continuing operations for the full year 2012. This was due to the 364.6 million peso increase in operating income, to the positive variation of 281.3 million pesos in Net Financial Expenses (Income) and to the decrease of 528.6 million pesos in tax on earnings. Those variations were partially offset by the decrease of 23.3 million pesos in the results of associated companies.

FINANCIAL POSITION

Capital Expenditures

During the full year 2013 ended December 31, the Company made capital investments of 1,264.9 million pesos, of which 48% was earmarked for organic growth, with the remaining 52% for operating maintenance. Organic growth projects included productivity-related investments, investments in additional production capacity and new production plants.

Cash and short-term investments

The cash and short-term investments balance increased by 7,835.0 million pesos, rising from 607.1 million pesos at December 31, 2012, to 8,442.1 million pesos at December 31, 2013. This variation is primarily due to the proceeds from the Company's October 2013 IPO.

Advance Payments

The balance in the advance payments account increased by 60.8 million pesos at December 31, 2012, to 231.1 million pesos at December 31, 2013. This 170.2 million peso variation is due to seasonal payments created at the second half of the year and to the advance payments made to take advantage of the deductibility of certain expenses.

Related Parties

At December 31, 2013, the balance with related parties payable decreased by 563.0 million pesos, closing at 304.9 million pesos, as compared to 867.9 million pesos at December 31, 2012. This is due to a decrease in the balance of accounts payable for milk producers as part of the operation strategy managed by the Company at the end of the year.

Suppliers

As at December 31, 2013, the balance with suppliers increased by 351.2 million pesos, closing at 2,261.4 million pesos as compared with 1,910.2 million pesos at December 31, 2012. This increase is mainly attributable to the integration of Nestlé chilled products into LALA's portfolio, and to a lesser extent, to the growth in sales.

Bank Debt

As at December 31, 2013, total debt decreased by 3,221.4 million pesos, closing at 727.2 million pesos, as compared with the 3,948.6 million pesos reported on December 31, 2012. The decrease was a result of the debt payments made over the last twelve months and to the pre-payment of debt during the last quarter of 2013 using the Company's IPO proceeds.



Shareholders' Equity

The increase of 6,574.7 million pesos in Shareholders' Equity at December 31, 2013 is the net result of the proceeds related to the Company's October 15, 2013 IPO and to the spin-off of the discontinued operation.

Financial Ratios

At December 31, 2013, the Company's principal financial ratios were as follows:

Financial Metrics	4Q-13
EBITDA ⁽¹⁾ / Interest Paid	30.5x
Net Debt / EBITDA ⁽¹⁾	(1.5)x

Earnings per Share
at **\$1.35 pesos**

Stock Market Indicators	4Q-13
Book Value per Share	\$6.57
EPS ⁽³⁾ (12 months)	\$1.35
Shares in circulation, end of 2013*	2,474.4
Price per Share, end of 2013	\$28.91

(3) EPS is Earnings per Share LTM.
* Million shares.



CONFERENCE CALL INVITATION

**Thursday, February 27,
2014, at 1:00pm ET /
12:00pm Mexico City Time,
which will be led by Arquímedes
Celis, Chief Executive Officer, and
Antonio Zamora, Chief Financial
Officer of Grupo LALA.**

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

**Mexico:
01-800-522-0034**

**United States
(Toll Free):
1-877-407-9039**

**International:
1-201-689-8470**

RELEVANT EVENTS

- On October 31, 2013, the underwriters of the Initial Public Offering of shares issued by LALA executed the over-allotment option in full as agreed to of 66,666,667 additional shares to the original shares offered during the offering date. The total funds that LALA received as a result of the Global Offering were therefore in the amount of 14,055 million pesos.
- On November 1, 2013 Grupo LALA announced the payment of a dividend of 0.255 pesos per share. This dividend payment was divided into two equal installments of 0.1275 pesos per share; the first was paid on November 8.
- On November 27, 2013, LALA announced Mr. Arquímedes Celis Ordaz as Chief Executive Officer of Grupo LALA.
- On December 11, 2013 LALA announced the advance payment of the dividend declared for the amount of 0.1275 pesos per share; as well as the payment of a cash dividend of 0.3825 pesos per share, according to the resolutions adopted by the LALA's General Shareholders' Meeting held on the same date. Both payments were made on December 20, 2013.

About LALA

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

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

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, 2012 AND 2013
(In thousands of nominal pesos)

	For the three months ended				For the twelve months ended			
	December 31,				December 31,			
	2012		2013		2012		2013	
Net sales	\$ 10,398,128	100.0%	\$ 11,091,525	100.0%	\$ 40,344,949	100.0%	\$ 43,155,853	100.0%
Cost of goods sold	6,667,153	64.1%	6,995,322	63.1%	26,135,395	64.8%	27,608,078	64.0%
Gross profit	3,730,975	35.9%	4,096,203	36.9%	14,209,554	35.2%	15,547,775	36.0%
Net of other expenses	(13,488)	(0.1)%	(18,294)	(0.2)%	(49,882)	(0.1)%	(44,385)	(0.1)%
Operating expenses	2,692,061	25.9%	2,985,408	26.9%	10,410,781	25.8%	11,378,876	26.4%
Operating income	1,052,402	10.1%	1,129,089	10.2%	3,848,655	9.5%	4,213,284	9.8%
Net of financial expenses (income)								
Net of interest expense	62,337	0.6%	(47,077)	(0.4)%	182,174	0.5%	78,964	0.2%
Exchange loss (gain)	(85,610)	(0.8)%	(7,776)	(0.1)%	158,922	0.4%	(9,861)	(0.0)%
Financial instruments	0	0.0%	(20,850)	(0.2)%	0	0.0%	(129,647)	(0.3)%
Gain on available-for-sale-instruments	(120,380)	(1.2)%	0	0.0%	(120,380)	(0.3)%	0	0.0%
	(143,653)	(1.4)%	(75,703)	(0.7)%	220,716	0.5%	(60,544)	(0.1)%
Equity interest of associates	(4,511)	(0.0)%	393	0.0%	2,731	0.0%	(20,601)	(0.0)%
Income before taxes	1,191,544	11.5%	1,205,185	10.9%	3,630,670	9.0%	4,253,227	9.9%
Taxes on profits	627,156	6.0%	481,406	4.3%	1,960,615	4.9%	1,432,031	3.3%
Net income from continuing operations*	564,388	5.4%	723,779	6.5%	1,670,055	4.1%	2,821,196	6.5%
Discontinued operations	(71,497)	(0.7)%	0	0.0%	(394,632)	(1.0)%	(205,635)	(0.5)%
Net consolidated income	492,891	4.7%	723,779	6.5%	1,275,423	3.2%	2,615,561	6.1%
Non-controlling interest	18,531	0.2%	11,682	0.1%	34,086	0.1%	36,678	0.1%
Depreciation, amortization and trademarks impairment	231,140	2.2%	251,659	2.3%	915,673	2.3%	1,065,556	2.5%
EBITDA	\$ 1,283,542	12.3%	\$ 1,380,748	12.4%	\$ 4,764,328	11.8%	\$ 5,278,840	12.2%



GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2012 AND 2013
(In thousands of nominal pesos)

	As of December 31, 2012	As of December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 607,099	\$ 8,442,052
Investments in financial instruments	0	20,850
Accounts receivable	2,344,402	2,427,183
Taxes and other accounts receivable	1,406,864	1,131,651
Related parties	83,446	193,883
Inventories	2,426,354	2,628,997
Prepaid expenses	60,837	231,083
Current assets	6,929,002	15,075,699
Investments in associates	147,333	99,712
Property, plant, and equipment, net	9,559,451	9,933,806
Intangible and other assets	1,244,073	1,223,620
Non-current assets	10,950,857	11,257,138
Discontinued operations	9,370,871	0
Total assets	\$ 27,250,730	\$ 26,332,837
LIABILITIES		
Short-term bank loans	\$ 1,407,861	\$ 646,421
Suppliers	1,910,198	2,261,357
Related parties	867,895	304,938
Taxes and other accounts payable	1,657,764	984,261
Current liabilities	5,843,718	4,196,977
Long-term debt	2,540,761	80,752
Deferred taxes and other taxes payable	1,341,593	1,261,837
Other accounts payable	443,019	588,907
Long-term liabilities	4,325,372	1,931,496
Discontinued operations	3,451,980	0
Total liabilities	13,621,070	6,128,473
EQUITY		
Capital stock	1,434,544	1,492,652
Shared premium	4,250,925	13,691,891
Retained earnings	6,435,029	2,166,700
Income of the year	1,241,336	2,578,883
Equity attributable to owners of the parent	13,361,834	19,930,126
Non-controlling interest	267,826	274,238
Total equity	13,629,660	20,204,364
Total liabilities and equity	\$ 27,250,730	\$ 26,332,837



GRUPO LALA, S.A.B. DE C.V.
CONSOLIDATED CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED
DECEMBER 31, 2012 AND 2013
(In thousands of nominal pesos)

	As of December 31, 2012	As of December 31, 2013
Operating activities:		
Income before taxes from continuing operations	\$ 3,630,670	\$ 4,253,227
Depreciation, amortization and trademarks impairment	915,673	1,065,558
Changes in net financial expenses (income)	57,183	(129,453)
Loss on sale of property, plant, equipment and intangibles	12,584	2,674
Other items	75,906	173,592
	4,692,016	5,365,598
Changes in operating assets and liabilities:		
Accounts receivable	37,597	(82,154)
Inventories	(234,095)	(202,211)
Related parties	(297,916)	(1,348,046)
Suppliers	(19,032)	264,539
Taxes, other accounts receivable and prepaid expenses	1,091,868	(1,125,939)
Other assets and liabilities	(398,277)	(555,209)
Total	180,145	(3,049,020)
Net cash flow provided by continuing operating activities	4,872,161	2,316,578
Net cash flow provided by discontinued operating activities	(66,542)	540,221
Net cash flow provided by operating activities	4,805,619	2,856,799
Investing activities		
Acquisition of property, plant, equipment, and intangibles	(1,556,331)	(1,496,406)
Proceeds from sale of property plant, and equipment	9,156	24,473
Dividends received	0	21,640
Net cash flow used in continuing investing activities	(1,547,175)	(1,450,293)
Net cash flow used in discontinued investing activities	(452,358)	(403,253)
Net cash flow used in investing activities	(1,999,533)	(1,853,546)
Financing activities		
Net of loans and payment of loans from related parties	361,602	(245,448)
Net of financing and payment of financing	(1,944,122)	(4,076,904)
Increase in capital stock	0	13,640,082
Dividends paid to equity holders of the parent	(1,001,294)	(2,411,862)
Dividends paid to non-controlling interests	(53,900)	(29,891)
Collected derivatives	0	108,797
Net cash flows used in continuing financing activities	(2,637,714)	6,984,774
Net cash flows used in discontinued financing activities	(459,541)	(206,794)
Net cash flows used in financing activities	\$ (3,097,255)	\$ 6,777,980
Net increases of cash and equivalents	(291,169)	7,781,233
Adjustments to cash due to exchange rate fluctuations	(16,523)	-846
Cash and cash equivalents at beginning of the year	1,336,015	1,028,323
Cash and cash equivalents at the end of the year	1,028,323	8,808,710
Cash and cash equivalents at the end of the year of discontinued operations	421,224	366,658
Cash and cash equivalents at the end of the year of continuing operations	\$ 607,099	\$ 8,442,052