

**COMMENTS AND ANALYSIS BY THE ADMINISTRATION ABOUT THE
OPERATIONAL RESULTS AND FINANCIAL SITUATION OF THE COMPANY
AT THE END OF THE FIRST QUARTER 2014**

(FIGURES IN MILLIONS OF PESOS)

Million MXP: millions of mexican pesos

US dollars: currency of the US

RESULTS FOR 1Q14

Total sales for the 1Q14 reached \$4,893.8 Million MXP, which represented a 4.6% increase with respect to 1Q13;

The **same-store sales** increased by 1.1%, totaling \$4,635.6 Million MXP.

Cost of sales registered during the first quarter of the year totaled \$ 2,933.9 Million MXP, which represented a 60.0% in 1Q14 compared to 62.3% from the same period the previous year.

In 1Q14, the **gross revenue** increased by 11.2% with respect to the 1Q13; therefore, at the end of the period, the amount of \$1,959.9 Million MXP was recorded, representing a 40.0% gross margin versus a 37.7% from 1Q13.

Operating Expenses for the 1Q14 totaled \$1,276.9 Million MXP, which represents a 1.4% decrease compared to those recorded in 1Q13. The sales percentage was 26.1% in 2013 compared to 27.7% for the same period the previous year.

Operating Flows defined as operating revenue plus depreciation and amortization and (+/-) fair value of the investment properties summed \$653.6 Million MXP, which is 6.9% more than in the 1Q13.

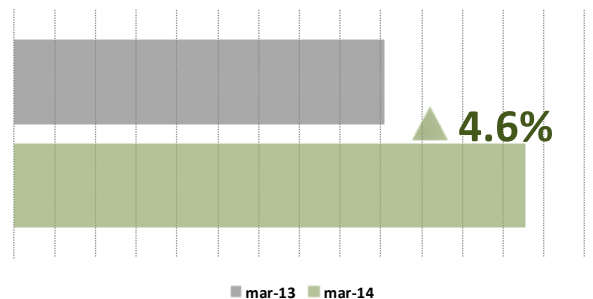
The registered loss of the **financial cost** for this quarter totaled \$138.1 Million MXP with a increase of 384.5% compared to the same period in 2013. This variation was due to the fact that the interests form the bridge credit taken out by Grupo Gigante to acquire the remaining 50% of the shares of Office Depot de México and the bonds that were traded for such subsidiaries in the international markets.

The accounting for **taxable revenue** was increased by 9.3% with respect to the first quarter of 2013, totaling 166.7 Million MXP.

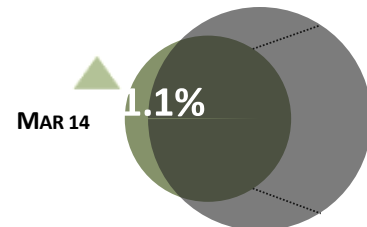
The **consolidated net revenue** was \$377.1 Million MXP, which compared to the 1Q13 represented a 31.8% increase.

The **non-controlling interest** account was reduced by 96.5%, which was caused by the acquisition of the operation of Office Depot de México, technically by recognizing the "non-controlling interest" as a "controlling interest" as of July 2013 of the 50% remaining portion of the shares of one of the shares of Office Depot in México held by other investors.

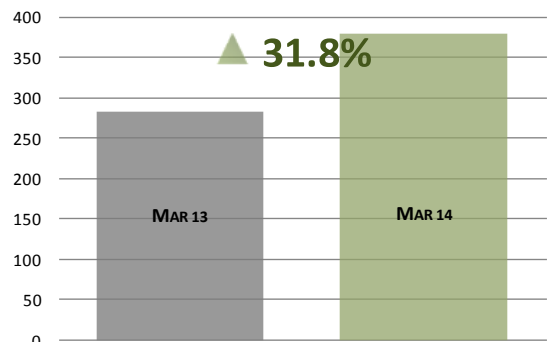
TOTAL SALES



SAME STORE SALES



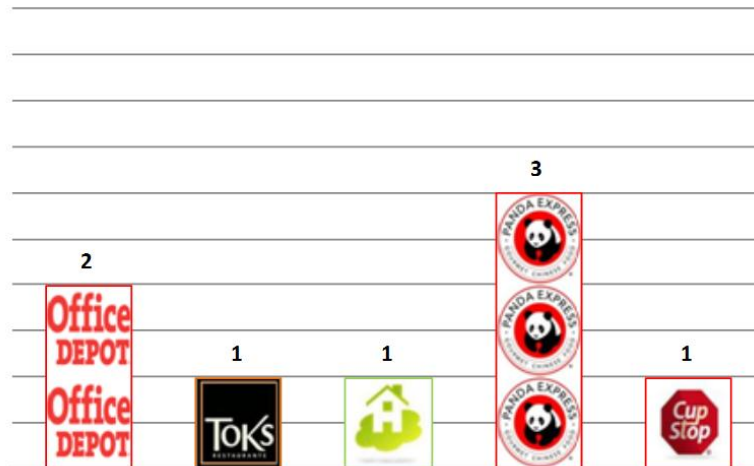
CONSOLIDATED NET REVENUE



Units in operation.

During the first quarter of 2014, we opened:

NUMBER OF OPENINGS IN THE QUARTER



During this period, the following were closed: 1 Toks restaurant; 2 Panda Express restaurants and 1 Cup Stop. Additionally, under the joint venture program, a Petco store was opened.

By the opening and closing these stores and restaurants, the total number of units in operation at the close of the first quarter was **432** with a total number of **361,771 m²** of sales floor and **26,641 seats**.

Under the joint venture program, a total of 2 units are operating with 1,887 m² of sales floor.

Relevant events.



Grupo Gigante informed during the quarter that due to market volatility and conditions, it was decided to postpone the public trading of its subsidiary, Office Depot de México. It was also announced that it shall continue forward with the execution of the financial strategy established for this operation, according to the terms disclosed since its beginning. For these purposes, the negotiation of a long-term credit shall be concluding that will allow the balance of the bridge credit to be paid, which shall be taken out at the appropriate moment.

Grupo Gigante once again reiterated its commitment to timely inform the public about the relevant events according to the regulatory provisions through the electronic means made available for issuers of the National Banking and Securities Commission (CNBV), the Mexican Stock Exchange (BMV) as well as its web site (www.grupogigante.com.mx).

FINANCIAL SITUATION MARCH 2014 VS DECEMBER 2013

The Company did not execute significant transactions that were not registered in the balance sheet.

Current assets

Other current assets. At the end of the first quarter of 2014, this entry recorded an increase of 372.6% with respect to the end of December 2013, which was caused by the presentation in 2014 in the short term of a prepayment made by one of its subsidiaries and long-term prepayment in 2013, together with the operating conditions.

Long-term assets

Related investments and joint businesses. This account increased by 46.6% as a result of the investment made in the company "Mascotas" (Petco México) during the quarter.

The account of **other non-current assets – others** decreased by 33.8%, due to the prepayments for real-estate investments that were made in 2014.

Current liabilities

Short term bank loans. These loans increased by 3.5% due to the bridging credit acquired by one of the subsidiaries during the first quarter 2014.

Long term liabilities

Tax on deferred earnings decreased by 7.0% with respect to December 2013 as a result of the differed effect of the temporary entries of the investments classified for sale.

Net Worth

The **net worth account for the non-controlling interest** was increased by 2.6%, which was due to the revenue for the period earned by a subsidiary of the group corresponding to a non-controlling interest.

FINANCIAL RATIOS

	TO MAR 2014	TO DEC 2013	VAR
Total liabilities to total assets	0.52	0.52	0.00
Total liabilities to net worth	1.08	1.07	0.01
Current assets to current liabilities	1.30	1.28	0.02
Current assets minus inventories to current liabilities	0.87	0.83	0.04
Current assets to total liabilities	0.66	0.63	0.03

* Information expressed in times

SOURCES OF LIQUIDITY AND CAPITAL RESOURCES

In addition to generating a cash flow from the operation, the subsidiaries of the Group have taken out revolving credits and letters of credit with banking institutions in order to cover the working capital needs.

<p>Letters of credit. At the close of the first quarter 2014, the subsidiaries had letters of credit in pesos, which were not used. They had also letters of credit on US dollars available to them. The percentage used from the total available was:</p>	<h1>16.0%</h1>
<p>Revolving credits and simple credits in pesos. At the close of the first quarter 2014, the subsidiaries had lines of credit in Pesos; the percentage used from the total available was:</p>	<h1>100.0%</h1>
<p>Revolving credits and simple credits in US Dollars. At the close of the first quarter 2014, the subsidiaries had lines of credit in US Dollars; the percentage used from the total available was:</p>	<h1>99.9%</h1>
<p>Term debt securities. At the first quarter 2014, one of the subsidiaries of the Company has a term debt securities on US dollars. The percentage used from the total available was:</p>	<h1>100.0%</h1>

POLICIES GOVERNING THE TREASURY

The banking conciliations are carried out on a monthly basis and are reviewed by a different area than the one that generated the movements.

Investments are made, previous analysis of the cash excess and the purchase, and sale conditions and the expiration of same, as well as the authorization by the finance departments or areas, pursuant to the policies and procedures established. Investment operations are recorded once the fund transfer is made to the selected financial institution, that is, in the period corresponding to it. Interests accrued on the investments are recorded in the period of accrual and are compared with the bank statements through banking conciliations.

Financing requests are approved by the authorized attorneys-in-fact and by the authorized directors, and if applicable, by the Finance and Planning Committee and/or by the Board of Directors, pursuant to the policies and procedures established.

Once the credit is obtained, it is recorded in the loan books, pursuant to the agreements executed. Records for interests and payments made are periodically made, pursuant to the transfers made to the financial institutions and they are conciliated periodically with support documentation. Compliance with the clauses set forth in the executed loan agreements is constantly reviewed.

The management is not authorized to hire derivative financial instruments. The Finance and Planning Committee is the body in charge of analyzing and, if applicable, of approving the hiring of these financial instruments.

Currencies of cash and temporary investments

The Company has cash and cash equivalents invested in Mexican currency and in Dollars, both in checking accounts and on investments in securities; classified as investments with negotiation purposes and available for sale.

The cash and cash equivalents will continue to be invested pursuant to the policies established with basis on the strategic plan approved by the Board of Directors and pursuant to the guidelines of the Finance and Planning Committee.

MATERIAL TAX CREDITS OR LIABILITIES

At the close of 1Q14, the Company is up to date with its tax obligations.

The internal controls of the Company are focused on the safeguard of assets, on the compliance of the policies and procedures established, on the detection and prevention of fraud and on the generation of reliable financial information.

FINANCIAL ANALYST

“IXE Casa de Bolsa” is following up and covering the analysis of the Company’s securities.

GENERAL INFORMATION

Grupo Gigante, S.A.B. DE C.V.
BMV Ticker Code: Gigante*
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GRUPO GIGANTE, S.A.B. DE C.V.

Consolidated Balance Sheets
As of march 31, 2014 and december 31, 2013
(In Millions of Mexican Pesos)

Concept	2014	2013
Total Assets	31,658.5	31,223.5
Current Assets	10,791.5	10,104.8
Investment in Shares	48.8	33.3
Property and Equipment - Net and Investment Properties	20,308.5	20,063.8
Uncollected accrued income	58.0	58.3
Goodwill and other intangible assets - Net	451.6	963.3
Total Liabilities	16,418.5	16,128.6
Current Liabilities	8,318.0	7,907.6
Long - Term Bank Loans	1,263.8	1,286.8
Term Debt Securities	4,478.2	4,467.8
Deferred Taxes	1,587.0	1,706.5
Tax by fiscal desconsolidation	536.3	536.3
Others	220.3	209.9
Employee Benefits	14.9	13.8
Stockholders' Equity	15,240.0	15,094.9



GRUPO GIGANTE, S.A.B. DE C.V.

Consolidated Statements of Income
From January 1 to March 31, 2014 and 2013
(In Millions of Mexican Pesos)

Concept	2014	2013
Revenue	4,893.8	4,679.2
Cost of Sales	2,933.9	2,916.7
Gross Revenue	1,959.9	1,762.5
Operating Expenses	1,276.9	1,294.4
Operating Income	683.0	468.0
Financial Cost	138.1	28.5
Result in Associates	1.0	0.8
Income from Continuing Operations before Income Taxes	543.8	438.7
Expensive Taxes	166.7	152.6
Income from Continuing Operations	377.1	286.1
Discontinued Operations	0.0	0.0
Consolidated Net Income	377.1	286.1
Net Income of Minority Stockholders	3.1	89.1
Net Income of Majority Stockholders	374.0	197.0