

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

(FIGURES IN MILLIONS OF PESOS)

Million MXP: millions of mexican pesos

US dollars: currency of the US

RESULTS FOR 4Q14

Total sales for the 4Q14 reached \$5,397.7 Million MXP, which represented a 9.4% increase with respect to 4Q13.

Regarding **same-store sales** decreased by 0.5%, totaling \$4,763.3 Million MXP. It is important to state that due to closing dates, the fourth quarter of 2014 has 2 days less of sales with respect to the same quarter of 2013.

Cost of sales registered during the fourth quarter of the year totaled \$ 3,070.8 Million MXP, which represented a 56.9% compared to 58.2% from the same period the previous year.

In 4Q14, the **gross revenue** increased by 12.9% with respect to the 4Q13; therefore, at the end of the period, the amount of \$2,326.9 Million MXP was recorded, representing a 43.1% gross margin versus 41.8% from 4Q13.

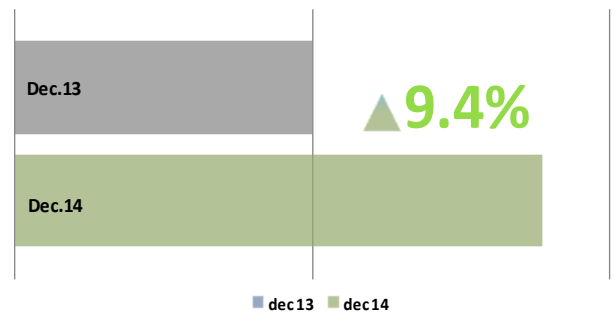
Operating Expenses for the 4Q14 totaled \$1,300.6 Million MXP, which represents a 6.7% increase compared to those recorded in 4Q13.

Operating Flows defined as operating revenue plus depreciation, amortization and fair value of the investment properties summed \$897.0 Million MXP, which is 13.1% more than the quarter for the preceding year.

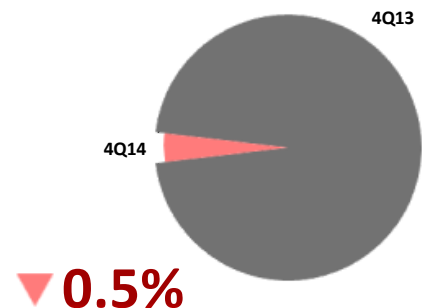
The registered loss of the **financial cost** for this quarter totaled \$511.7 Million MXP with a variation of 308.1% compared to the same period in 2013. The loss was mainly caused by the fluctuation in the exchange rate that was largely generated by the debt securities take out in US dollars.

The **consolidated net revenue** was \$361.6 Million MXP, which compared to the 4Q13 represented a 45.8% decrease, fundamentally related to the financial cost explained above.

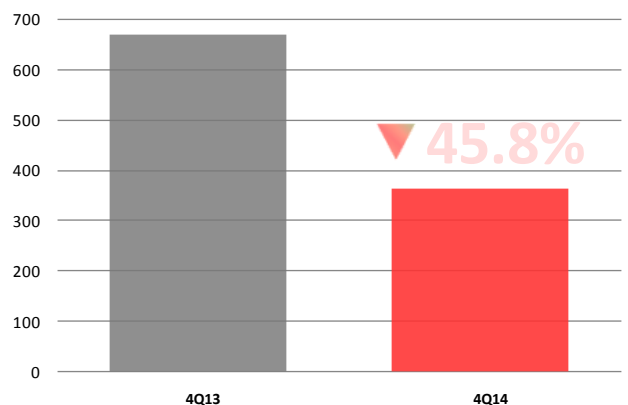
TOTAL SALES



SAME STORE SALES

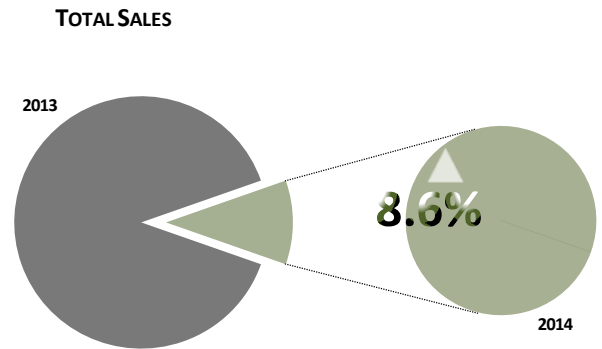


CONSOLIDATED NET REVENUE



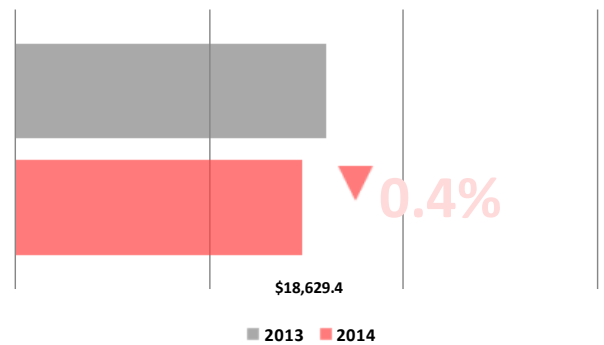
RESULTS AS OF 4Q14

Total sales during the 4Q14 reached \$20,814.1 Million MXP, representing an 8.6% increase with respect to the same period in 2013.



The **same-store sales** decreased by 0.4%, totaling \$18,629.4 Million MXP.

SAME STORE SALES



Cost of sales accumulated to the fourth quarter of the year totaled \$12,472.9 Million MXP; as a percentage of sales, represented a 59.9% compared to 60.5% registered for the same period the previous year.

To 4Q14, the **gross revenue** increased by 10.3% with respect to the same period the preceding year; therefore, at the close of the period, the amount of \$8,341.2 Million MXP was recorded and which represented a 40.1% gross margin compared to a 39.5% from 4Q13.

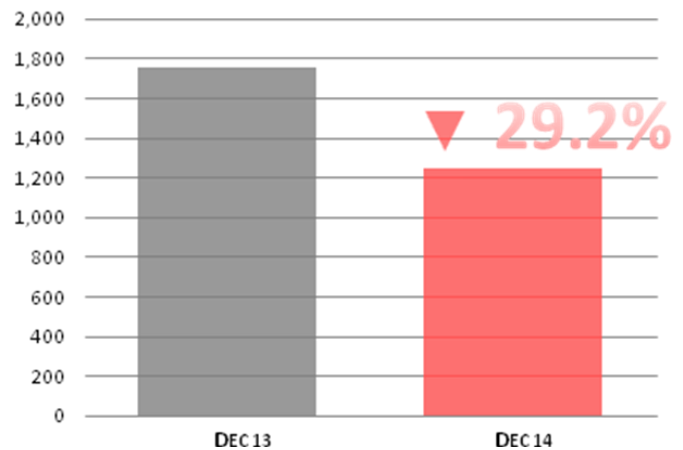
Operating Expenses for the 4Q14 totaled \$5,437.6 Million MXP, which represents a favorable variation of 9.4% compared to the amount registered in 4Q13.

Operating Flows defined as operating revenue plus depreciation, amortization and fair value of the investment properties summed in December 2014 \$2,843.4 Million MXP, which is 4.0% more than in the preceding year.

The **financial cost** account increased to \$777.1 Million MXP compared to the same period in 2013. This increase was generated by the interests from bank credits and by a major loss due to the debt securities take out in US dollars.

The **consolidated net revenue** was \$1,236.9 Million MXP, which compared to the same period for 4Q13 registered a decrease of 29.2% related to the integral financial cost.

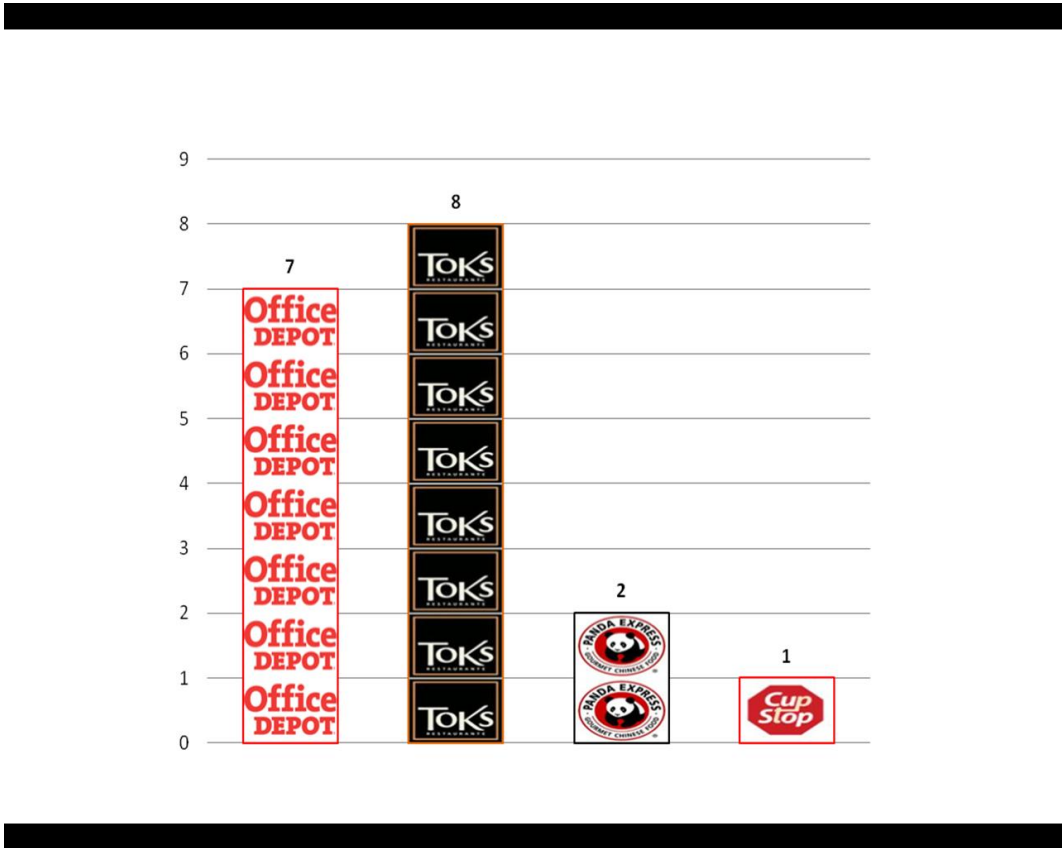
CONSOLIDATED NET REVENUE



Units in operation.

During the fourth quarter of 2014, we opened:

NUMBER OF OPENINGS IN THE QUARTER



During the 4Q14, did not show the closure of units.

Additionally, under the joint venture program, 2 Petco store were opened.

By the opening and closing these stores and restaurants, the total number of units in operation at the close of the fourth quarter was **485** with a total number of **394,791 m²** of sales floor and **29,158 seats**, and under the joint venture program, a total of 6 units of Petco.

Relevant events.



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 DECEMBER 2014 VS DECEMBER 2013

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

Current assets

Inventories. This heading registered 15% increase with respect to the 4Q13. The increase was mostly generated from the inventory incorporated to Office Depot de México due to the sale of the Casa Marchand stores during the month of April of this year.

The **housing inventory** account increased by 51.3% for the residential development from a subsidiary of the group.

Other Current Assets. This heading registered 78.9% increase with respect to the same period in 2013, generating the result of the valuation of the derivative financial instrument to pay for the interests generated by the debt securities.

Long-term assets

Joint and Associated Investments. This heading registered an increase of \$544.4 Million MXP derived from the investments and the recognition as a business together with 2 real-estate developments in the last quarter.

Other Non-Current Assets. This heading increased by 27.6%, which was mainly due to the real-estate development.

Current liabilities

Suppliers. The 8.9% increase that was generated by the account payable for suppliers due from the acquisition of the Casa Marchand stores during the month of April of this year.

Short Term Bank Loans. These loans increased by 91.6% due to the payment of the bridge loan with Credit Suisse-BBVA Bancomer through a new long-term syndicated loan taken out with BBVA Bancomer-Banamex (among other banks).

Long term liabilities

Long Term Bank Loans. The increase of 350.2% was generated by taking out a syndicated loan that substitutes the short-term bridge loan.

Securities Loan. This account varied by 13.4% due to the valuation in the exchange at the end of the period of the debt securities in US dollars.

Other Non-Current Liabilities. At the end of the fourth quarter of 2014, a decrease of 21.3% was generated, which was mainly caused by the taxes for deconsolidation that were reclassified as current and that will be paid the following year.

FINANCIAL RATIOS

| | TO DEC 2014 | TO DEC 2013 | VAR |
|---|-------------|-------------|-------|
| Total liabilities to total assets | 0.52 | 0.52 | 0.00 |
| Total liabilities to net worth | 1.07 | 1.07 | 0.00 |
| Current assets to current liabilities | 2.72 | 1.28 | 1.44 |
| Current assets minus inventories to current liabilities | 1.75 | 0.88 | 0.87 |
| Current assets to total liabilities | 0.60 | 0.63 | -0.03 |

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.

Letters of credit. At the close of the fourth quarter 2014, the subsidiaries had letters of credit on US dollars at \$15 million available to them. The percentage used from the total available was:

27.3%

Revolving credits and simple credits in pesos. At the close of the fourth quarter 2014, the subsidiaries had lines of credit in Pesos, for a total of:

6,258.4 mdp

Term debt securities. At the fourth 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:

5,157.2 mdp

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 4Q14, 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

Grupo Gigante informs that it is in the process of changing the firm that provides consulting services. Talks are in the advanced stages and will be informed in due course.

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 december 31, 2014 and december 31, 2013
(In Millions of Mexican Pesos)

| Concept | 2014 | 2013 |
|--|-----------------|-----------------|
| Total Assets | 33,293.2 | 31,223.5 |
| Current Assets | 10,256.2 | 10,104.8 |
| Investment in Shares | 577.7 | 33.3 |
| Property and Equipment - Net and Investment Properties | 20,725.4 | 20,063.8 |
| Uncollected accrued income | 63.6 | 58.3 |
| Goodwill and other intangible assets - Net | 1,670.4 | 963.3 |
| Total Liabilities | 17,214.1 | 16,128.6 |
| Current Liabilities | 3,767.9 | 7,907.5 |
| Long - Term Bank Loans | 5,792.6 | 1,286.8 |
| Term Debt Securities | 5,067.7 | 4,467.8 |
| Deferred Taxes | 1,987.7 | 1,706.5 |
| Tax by fiscal desconsolidation | 299.0 | 536.3 |
| Others | 193.4 | 209.9 |
| Employee Benefits | 105.8 | 13.8 |
| Stockholders' Equity | 16,079.2 | 15,094.9 |



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

Consolidated Statements of Income
From October 1 to December 31, for each year.
(In Millions of Mexican Pesos)

| Concept | 2014 | 2013 |
|--|----------------|----------------|
| Revenue | 5,397.7 | 4,935.9 |
| Cost of Sales | 3,070.8 | 2,874.7 |
| Gross Revenue | 2,326.9 | 2,061.2 |
| Operating Expenses | 1,300.6 | 1,218.4 |
| Operating Income | 1,026.3 | 842.8 |
| Financial Cost | -511.7 | -125.4 |
| Result in Associates | 12.9 | 1.2 |
| Income from Continuing Operations before Income Taxes | 527.5 | 718.6 |
| Expensive Taxes | 165.9 | 62.9 |
| Income from Continuing Operations | 361.6 | 655.7 |
| Discontinued Operations | 0.0 | -10.8 |
| Consolidated Net Income | 361.6 | 666.5 |
| Net Income of Minority Stockholders | 7.9 | -1.4 |
| Net Income of Majority Stockholders | 353.7 | 667.9 |



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

Consolidated Statements of Income
From January 1 to December 31, for each year.
(In Millions of Mexican Pesos)

| Concept | 2014 | 2013 |
|--|----------------|----------------|
| Revenue | 20,814.1 | 19,165.6 |
| Cost of Sales | 12,472.9 | 11,601.2 |
| Gross Revenue | 8,341.2 | 7,564.4 |
| Operating Expenses | 5,437.7 | 4,968.8 |
| Operating Income | 2,903.5 | 2,595.6 |
| Financial Cost | 1,108.2 | 331.1 |
| Result in Associates | 14.3 | -3.0 |
| Income from Continuing Operations before Income Taxes | 1,809.6 | 2,261.4 |
| Expensive Taxes | 572.7 | 541.2 |
| Income from Continuing Operations | 1,236.9 | 1,720.2 |
| Discontinued Operations | 0.0 | -26.1 |
| Consolidated Net Income | 1,236.9 | 1,746.3 |
| Net Income of Minority Stockholders | 16.0 | 170.8 |
| Net Income of Majority Stockholders | 1,220.9 | 1,575.5 |