

**COMMENTS AND ANALYSIS BY THE ADMINISTRATION ABOUT THE
OPERATIONAL RESULTS AND FINANCIAL SITUATION OF THE COMPANY
AT THE END OF THE SECOND QUARTER 2015**

(FIGURES IN MILLIONS OF PESOS)

*Million MXP: millions of mexican pesos
US dollars: currency of the US*

RESULTS FOR 2Q15

Total revenues during the 2Q15 amounted to \$5,950.1 Million MXP, representing an increase of 26.0% with respect to 2Q14; The increase is mainly due to the improvement in sales to stores with more than twelve-month operations and the acquisitions carried out by the subsidiaries of the group during the period.

Regarding **same-store sales**, there was an increase of 6.7%, totaling \$4,881.8 Million MXP.

Cost of sales recorded during the second quarter of the year was \$3,642.8 Million MXP. As percentage on sales it represented 61.2% in 2Q15 compared to 59.8% recorded in the same period during the previous year, which is attributable to higher sales arisen mainly from the acquisitions carried out.

In 2Q15, the **gross revenue** increased by 21.4% with respect to the 2Q14, recording at the close of the period, the amount of \$2,307.3 Million MXP, which represents 39.0% of the gross margin compared to 40.0% in 2Q14. This effect was originated by the different gross margins handled by the companies of the Group, including acquisitions.

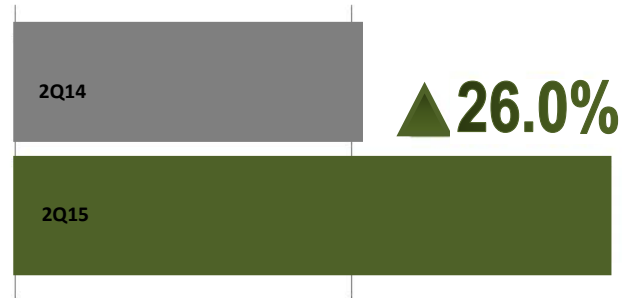
Operating Expenses (excluding the reasonable value of the investment properties for \$151.5 Million MXP in 2Q15 compared to \$102.9 Million MXP in 2Q14) amount to \$1,845.1 Million MXP in this quarter, which represents an increase of 21.8% compared to those recorded in 2Q14. The increase is mainly due to the contribution of the acquisitions and refurbishments performed by the subsidiaries.

Operating Flow defined as operating revenue plus depreciation, amortization and changes in the reasonable value of the investment properties, totaled \$689.4 Million MXP in the quarter, which is 29.9% greater than in the same quarter of the previous year.

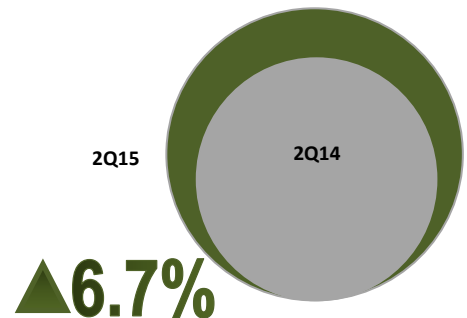
The loss recorded in **Net Financial Income** (expenses) in the quarter was for \$299.5 Million MXP, with an increase of 119.6% compared to the same period in 2014. This variation is due to the loss from the fluctuation in the exchange rate, generated for the most part by the listed debt contracted in Dollars.

The **Consolidated Net Revenue** was \$197.3 Million MXP, which compared with the 2Q14 recorded a decrease of 21.4%, mainly related with the financial cost explained above.

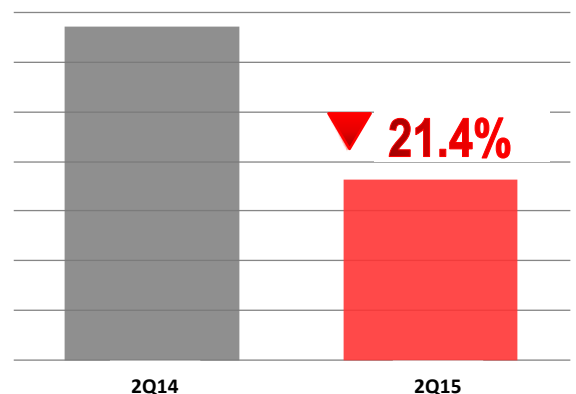
TOTAL REVENUES



SAME STORE SALES



CONSOLIDATED NET REVENUE



RESULTS AS OF 2Q15

Total revenues as of 2Q15 summed \$11,534.2 Million MXP. This amount represents a 19.9% increase compared to the same period in the previous year. The increase is mainly due to the acquisitions carried out by the subsidiaries of the group, as well as to the openings made during the period.

Regarding **same-store sales**, there was a 5.5% increase, totaling \$9,808.6 Million MXP.

The **cost of sales** recorded during the year was \$7,069.4 Million MXP. As a percentage on sales it represented 61.0% in 2Q15, compared to 60.0% recorded in the same period of the previous year, attributable to a higher sale arisen mainly from the acquisitions carried out.

As of the 2Q15, **gross profits** increased by 15.7% compared to the same period of the previous year, recording an amount of \$4,464.8 Million MXP, which represents 39.0% of gross margin compared to a 40.0% of gross margin recorded as of 2Q14.

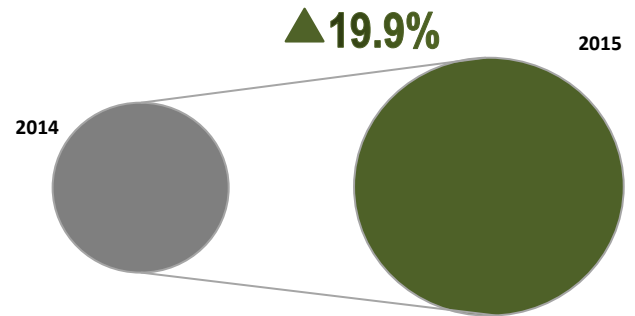
Operating expenses (excluding the reasonable value of the investment properties for \$348.3 Million MXP as of the 2Q15 compared to \$324.5 Million MXP as of 2Q14) amount to \$3,453.4 Million MXP as of this quarter, which represents an increase of 14.6% compared to those recorded as of June 2014. The increase is mainly due to the contribution of the acquisitions, openings and refurbishments carried out by the subsidiaries.

Operating Flow (EBITDA), defined as operating revenues plus depreciation, amortization and changes in the reasonable value of the investment properties, totaled \$1,398.6 Million MXP as of June 2015, which represents 18.1% greater than the operating flows of the previous year.

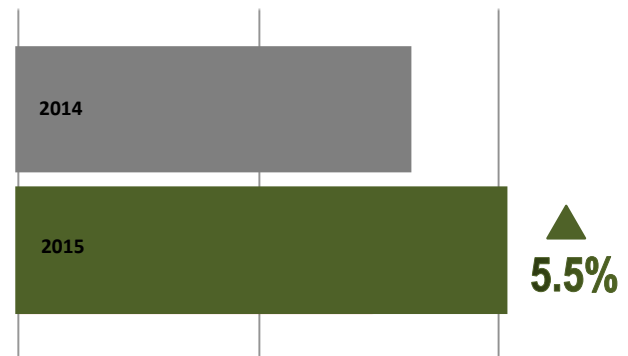
The loss recorded for **net financial income and (expenses)** was \$683.0 Million MXP, with an increase of 148.8% compared to the same period in 2014. This is mainly due to the loss from the fluctuation in the exchange rate, generated for the most part by the listed debt contracted in Dollars.

The **Consolidated Net Revenue** was \$435.9 Million MXP which compared to 2014, recorded a decrease of 30.6% mainly related to the financial cost explained above.

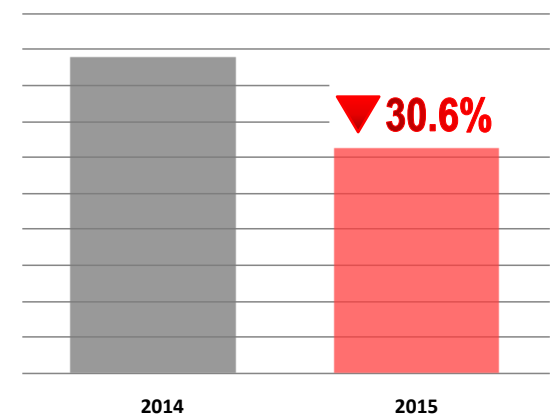
TOTAL REVENUES



SAME STORE SALES

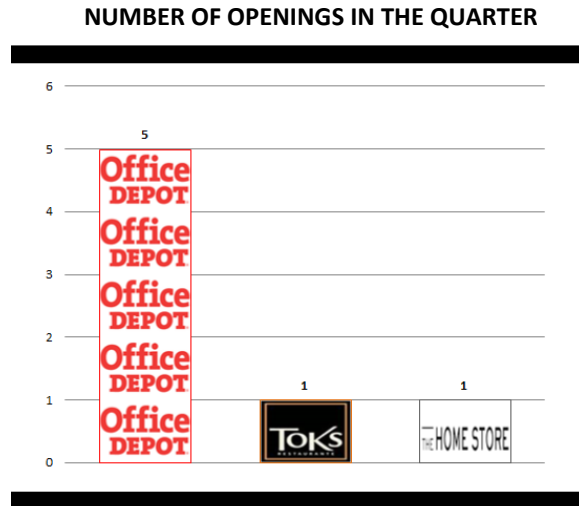


CONSOLIDATED NET REVENUE



Units in operation.

During the second quarter of 2015, we opened:



In 2Q15, Office Depot de México acquired 247 Radio Shack stores in Mexican territory and 13 units of Grupo Prisa, engaged on the wholesale of stationery and school supplies in Chile.

On the other hand, 1 Restaurante Toks, 1 Panda Express, 1 Office Depot store, 1 Radio Shack store and 2 Cup Stop were closed.

With the inclusion and closing of these stores and restaurants, as of the second quarter, the total number of units in operation of the group's subsidiaries was 798 (including two stores in refurbishment), that is, an increase of 64.5% compared to the closing of 2014, with a total of 484,677 m² of sales floor, with a 22.77% increase and 40,848 seats, representing 40.09% more, in the same compared periods.

Under the Joint Venture system we have 12 Petco stores as of 2Q15, having doubled this number compared to the previous comparable period.

Relevant Events



On April 29, 2015, Grupo Gigante informed the investing public that it closed the purchase of 51% of the shares of each one of the companies composing Grupo Prisa, through its subsidiary Office Depot de México, S.A. de C.V. Therefore, as of that date, once the conditions precedent set forth were complied and once the price of the transaction of 8.0 times the 2014 EBITDA, Office Depot de México, S.A. de C.V. started operations in the Chilean market, participating in the control of Grupo Prisa, the largest distributor of office supplies in Chile.



On June 18, 2015, Grupo Gigante informed that it closed and paid the acquisition of 100% of the shares in Radio Shack de México, S.A. de C.V., Real Answers, S.A. de C.V. and Logistic Answers, S.A. de C.V. ("Radio Shack"), through its subsidiary, Office Depot de México, S.A. de C.V. once all of the operating conditions and the authorizations by the United States Bankruptcy Court District of Delaware and by the Federal Competition Commission were complied. As of this date, Office Depot de México acquired 247 stores in operation in Mexico and all of the trademarks, trade names, domains and other industrial property rights related with Radio Shack.

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 JUNE 2015 VS DECEMBER 2014

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

Current assets

Clients and other accounts receivable- net. This account shows a 77.8% increase, mainly due to a greater credit portfolio in ODM, arisen from the acquisitions.

The **inventories** account shows a 41.1% increase compared to the previous year due to the inventory of ODM, increased by the acquisitions of Grupo PRISA and Radio Shack, as well as due to higher purchases from the back to school season.

Other current assets. This account shows a 35.8% growth compared to December 2014, arisen from annual advance payments applied to profits/losses during the year, such as insurance, taxes, etc., as well as by other assets added from the acquisitions by the subsidiaries.

Long Term Assets

Investments in associates and joint businesses. This account shows a 221.0% increase from the investments made during the year in the "Mascotas" business (Petco) and in real estate developments in joint ventures.

Intangible assets (net) – commercial credit. Increase in 2015 of \$1,150.3 in process of being assessed, generated from the acquisitions of California, Radio Shack and Grupo Prisa.

Other fixed assets- advance payments. \$735 million decrease of advance for investments in associates, minus the profits/losses of the 2014 period for a loss of \$14 million. As of December 2014, the approval by the COFECE for a capital subscription for a joint-venture real estate development was pending. Due to the foregoing, the investment was shown as an advance and not as an investment in associates. On March 24, 2015 the COFECE issued a favorable resolution for the capital subscription, therefore, the advance made in 2014 was recognized as Investment in Associates as of 2015.

Current liabilities

Suppliers. This account records an increase of 100.3% compared to the closing of tax year 2014, due to the acquisitions carried out by ODM, as well as to purchases for the back-to-school season.

Short-term Bank Loans. There is an increase of 51.1% due to the current portion of the loans contracted.

Long Term Liabilities

Long-term Bank Loans.- A 32.6% increase is observed due to the execution of two loans, one to finance the acquisition of Restaurantes California and the other for real estate developments.

Securities Credits. The 6.5% variation in this account results from the change assessment as of the closing of the period of the securities credit in Dollars.

FINANCIAL RATIOS

	TO JUN 2015	TO DEC 2014	VAR
Total liabilities to total assets	0.57	0.52	0.05
Total liabilities to stockholder's equity	1.30	1.07	0.23
Current assets to current liabilities	2.01	2.69	-0.68
Current assets minus inventories to current liabilities	1.21	1.72	-0.51
Current assets to total liabilities	0.59	0.59	0.00

* 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.

Credit letters. At the close of the second quarter 2015, the subsidiaries had letters of credit on US dollars at \$15 million available to them. The percentage used from the total available was:

17.5%

Bank loans in Pesos. As of the closing of the second quarter of 2015, there are bank loans in force in Pesos, for a total of:

8,282.1 mdp.

(Of principal amount, without taking into account the expenses for the opening of credit).

Bank loans in Dollars. Furthermore, there were also bank loans in Dollars for an amount of:

5.3 mdd.

Securities credits. As of the closing of the second quarter of 2015, the Company has a securities credit in force for a total of USD \$350.0 Million, equivalent to:

5,481.0 mdp.

(Considering the exchange rate as of the closing of the period, without taking into account the expenses for credit opening).

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 2Q15, 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, as of the second quarter of the year, its independent analyst is Servicios de Análisis en Línea, S.C. "Bursamétrica".

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 June 30, 2015 and December 31, 2014.
(In Millions of Mexican Pesos)

Concept	2015	2014
Total Assets	38,957.6	33,293.3
Current Assets	13,078.0	10,151.8
Investment in Shares	1,854.0	577.7
Property and Equipment - Net	9,392.3	8,855.6
Investment Properties	12,219.5	11,869.9
Uncollected accrued income	57.9	63.6
Goodwill and other intangible assets - Net	2,355.8	1,774.7
Total Liabilities	22,023.2	17,214.1
Current Liabilities	6,515.2	3,767.9
Long - Term Bank Loans	7,680.3	5,792.6
Term Debt Securities	5,399.3	5,067.7
Deferred Taxes	2,005.9	1,987.7
Tax by fiscal desconsolidation	176.0	299.0
Prepaid rents and rent holidays received	189.1	193.4
Employee Benefits	57.4	105.9
Stockholders' Equity	16,934.4	16,079.2



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

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

Concept	2015	2014
Revenue	5,950.1	4,722.1
Cost of Sales	3,642.8	2,822.0
Gross Revenue	2,307.3	1,900.1
Operating Expenses	1,693.7	1,411.7
Operating Income	613.7	488.5
Financial Cost	-299.5	-136.4
Result in Associates	-4.4	1.2
Income from Continuing Operations before Income Taxes	309.7	353.3
Expensive Taxes	112.4	102.3
Income from Continuing Operations	197.3	251.0
Discontinued Operations	0.0	0.0
Consolidated Net Income	197.3	251.0
Net Income of Minority Stockholders	11.3	1.9
Net Income of Majority Stockholders	185.9	249.1



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

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

Concept	2015	2014
Revenue	11,534.2	9,615.9
Cost of Sales	7,069.4	5,755.9
Gross Revenue	4,464.8	3,860.0
Operating Expenses	3,105.1	2,688.6
Operating Income	1,359.7	1,171.5
Financial Cost	683.0	274.5
Result in Associates	-0.5	0.2
Income from Continuing Operations before Income Taxes	676.3	897.1
Expensive Taxes	240.4	269.0
Income from Continuing Operations	435.9	628.1
Discontinued Operations	0.0	0.0
Consolidated Net Income	435.9	628.1
Net Income of Minority Stockholders	14.1	5.0
Net Income of Majority Stockholders	421.8	623.1