



GRUPO GIGANTE RESULTS FOR THE SECOND QUARTER 2011

México, D.F. July 27 2011. Grupo Gigante, S.A.B. de C.V. (hereinafter, "Grupo Gigante" or "Company") reported its second quarter results today.

Grupo Gigante is a holding company that has operated in Mexico for the last 48 years. It controls companies involved in the specialized businesses field, restaurants as well as real estate, and has a commercial presence in the 32 states of Mexico, as well as in some countries in Central and South America.

The figures in this report have been prepared in accordance with the Financial Information Guidelines and therefore are expressed at par value.

For greater detail regarding the results and financial status of Grupo Gigante, we suggest reviewing the financial information reported to the BMV under ticker code **Gigante***.

INFORMATION RELEVANT TO THE SECOND QUARTER

- The total sales and operation expenses during the Second Quarter of 2011 show an increase of 19.2% when compared to the same period of the prior year. Same store sales increased by 2.0% during the period of April to June 2011 when compared to the second quarter of 2010.
- The gross revenue during the second quarter of 2011 increased by 19.9% when compared to the same period in 2010.
- Operating revenue for the second quarter of 2011 was greater by 22% to the revenue obtained in the same quarter of 2010.
- The operating flow (EBITDA) for the second quarter of 2011 increased by 20.5% compared to the same period in the prior year.

MX\$Million: Millions of Mexican Pesos

QUARTERLY AND CUMULATIVE RESULTS

Total Sales during the second quarter of 2011 were equal to MX\$3,101 Million, which amount represents an increase of 19.2% compared to the second quarter of 2010; **same-store sales** reached an increase of 2.0% for a total of MX\$2,556 Million.

The cost of sales registered during the second quarter of the year was MX\$2,035 Million representing an increase of 18.8% compared to the second quarter of 2010. As a percentage over sales, the increase was 0.2 p.p. comparing both years.

For the period of April to June 2011, the **gross revenue** increased by 19.9% with respect to the second quarter of 2010, registering, to the close of the quarter, the amount of MX\$1,066 Million. The gross margin during the second quarter of 2011 was 34.4% which is 2.2 p.p. greater than the figures registered during the same period in 2010.

The **operating expenses** for the second quarter of 2011 grew to MX\$801 Million, representing an increase of 19.2% compared to the results of the second quarter of 2010. Expressed as a percentage, sales for both years were 25.8%.

The **operations flow**, defined as operations revenue minus depreciation and amortization, for the second quarter of 2011 was equal to MX\$376 Million, 20.5% greater than the figures registered during the second quarter of 2010.

The **comprehensive financing results** registered during the second quarter of 2011 were unfavorable at MX\$31.4 Million, compared to the favorable results of MX\$33.8 Million reported during second quarter of 2010. This performance was incited by the economic variable related to currency exchange and to interest rates as well as a decreased balance in cash, derived, among other things, from the investments in capital and payment of dividends.

The **net consolidated revenue** of the second quarter of 2011 grew to MX\$177.3 Million. This line item shows a decrease of 17.7% compared to the same period during 2010, caused by the performance of economic variables in the comprehensive financing results.

RESULTS TO JUNE 2011

In cumulative terms, **total sales** and **same-store sales** registered increases of 19.5% and 1.7%, respectively, when compared to the same period in the prior year, rounding out June 2011 at MX\$6,207 Million in total sales and MX\$5,117 Million in same-store sales.

Grupo Gigante makes a continuous effort to generate growth in same-store sales, and in terms of growth in total sales, it should be noted that Grupo Gigante has opened 133 units in the last twelve months.

To the close of the semester of January through June 2011, the **cost of sales** was MX\$3,901 Million, 18.8% greater than the figures registered during 2010. This increase is explained as a result of the contribution in the cost of sales by the units opened during the last twelve months. In terms of the costs of sales-sales relationship, there was a decrease of 0.4 p.p. when compared to the prior year, from 63.2% to 62.8%.

With respect to cumulative results to June, the **gross revenue** grew to MX\$2,306 Million, which amount is 20.6% greater than the amount registered during the same period in 2010; as a margin over sales this represented 37.1%, 0.3 p.p. greater than the margin determined during the same period in 2010.

This increase is due mainly to a growth in sales of the same units and to the contribution of new units.

In cumulative terms, the **operating expenses** were at MX\$1,776 Million, which number is 21.1% greater when compared to the MX\$1,467 Million registered during the same period in 2010, as a percentage of sales in 2011, it represented 28.6%, while during 2010 it was at 28.2%. The increase in the amount of this line item arose out of the sales floor expansion strategy, with the opening of 133 units during the last twelve months.

The **operations flow**, defined as the operating unit plus depreciation and amortization at the close of the period to June reached MX\$754 Million and the results were 19.4% greater than the figures registered during the same period the year before.

From January to June 2011, the **comprehensive financing cost** showed an unfavorable amount of MX\$69.2 Million. This decrease arises mainly from the behavior of the interest rates as well as the exchange rate.

The **net consolidated revenue** to June 2011 reached MX\$348 Million, which amount was 8.6% less than the amount obtained during the same period in 2010, due to the unfavorable effect in the comprehensive financing results, generated by the performance of the interest rates and the exchange rates, as well as a diminished balance in cash due to the capital investments made and the dividends paid out.

UNITS UNDER OPERATION

During the second quarter of 2011, the Company opened a total of 33 units: 1 Office Depot store, 29 Super Precio stores, 2 Toks Restaurants and 1 Home Store, and closed 12 Super Precio stores.

Including these openings and closings, the total number of units in operation to the close of the second quarter was 774 with a total of 426,555 m² of sales floor, and 20,349 seats.

CAPITAL INVESTMENT

The Company has made investments in accordance with its annual program in an amount of MX\$823 Million, including the total investments by the subsidiary, which is a joint venture Project with the Company.

PRESS RELEASES

During the second quarter, Grupo Gigante made a public announcement regarding the following relevant event:

On April 4 2011, a subsidiary, Operadora de Fast Food Chino, S.A. de C.V. (“Operadora”), executed with Citadel Panda Express, Inc. (“Panda”), a master franchise Project and a territorial agreement for the development and operation of Panda Express® restaurants located in Mexico. Grupo Gigante and its subsidiary, Hospitalidad y Servicios Especializados Gigante, S.A. de C.V., shareholding company and owner of Operadora, shall guarantee and assume the condition of sole obligees with Operadora with respect to some obligations of Operadora under the above-referenced contracts, for which they obtained all required corporate authorizations, and the documentation signed among the parties. The agreement contemplates the option that Panda can acquire up to 50% of the Capital Stock of Operadora within a term to mature in four years as of the date on which Operadora opens its first Panda Express® restaurant in México.

Panda Express® is a member of the Panda Restaurant Group, Inc. (PRG), founded in 1973, a leading company in Asian food restaurants under “Casual Dining” concept. Panda Express® is the most well-known trademark of the PRG group, and it has almost 1,400 restaurants in the US, which collaborate directly with 18,000 associated in 38 states of the US.

FINANCIAL STATUS

Company has not carried out any relevant operations that have not been registered in the general balance.

Current Assets

Cash and investments in securities. To the close of the second quarter of 2011, the amount of these securities is equal to \$1,057, which amount is 48.1% less than the amount registered at the close of the second quarter of 2010. The decrease is due mainly to the payment of dividends to the shareholders as well as to investments in real estate projects and of other natures during the last 12 months.

Inventory. At the end of the second quarter of 2011, this line item registered the amount of MX\$1,985 Million, representing an increase of 21.4% compared to the same period during 2010. The increase was caused by the inventory required for the opening of 133 stores in the last 12 months.

Accounts receivable. The increase is due in part to the business contribution of an acquisition by a subsidiary of Grupo Gigante in the last quarter of 2010.

Property and equipment. The increase of 8.4% is due to the modifications and fixtures and furniture acquired for the opening of new business units, as well as investments in real estate for the development of projects and acquisition of land.

Prepaid expenses. The decrease of 38% is due to the decrease in the permanent investments for negotiation purposes, which decreased as a result of the capital investments made during the period.

Long Term Assets

Discontinued Assets (long term). In 2011 this line item had no balance compared to the MX\$10 Million reported during 2010; during this year, there are still long term assets in the supermarket business.

Current Liabilities

Trade accounts and notes payable. To the close of the second quarter of 2011 the sum of MX\$1,275 Million was registered in this line item, which amount is 13.8% greater than the number registered during the same period in 2010. This is explained, in great measure, by the growth of 133 units during the last 12 months.

Bank Loans. To the close of the second quarter of 2011, the circulating portion of the long-term bank loans was registered at MX\$16 Million. During the same period in 2010, a revolving bank loan in Mexican Pesos was registered at MX\$50 Million.

Long Term Liabilities

Employee Benefits. To the close of the second quarter of 2011, this account reflects a balance of MX\$40 Million which was 37.8% greater than the amount registered during 2010. This variation is due to the adjustment in the estimates of the Employer Obligations, which are calculated on an annual basis by an independent actuary, based on the projected unit credit method.

Long-term debt. In June 2010, Company contracted two bank loans with a mortgage guarantee maturing in ten years. The purpose of the credit lines was to support some of the real estate developments.

Financial Ratios

Total Liabilities to Total Assets. To the close of the second quarter of 2011, this ratio is equal to 0.20 times the amount obtained during 2010, which was 0.19.

Total Liabilities to Accounting Capital. To the close of the second quarter of 2011, this ratio is equal to 0.25 times the amount obtained in 2010 which was 0.24 times.

Circulating Assets to Circulating Liabilities. To the close of the second quarter of 2011, this ratio is equal to 2.43 times the amount obtained in 2010 which as of 2.94 times.

Circulating Assets minus Inventory to Circulating Liabilities. At the end of the second quarter of 2011, this line item was equal to 1.57 times the amount obtained in 2010 which was of 2.13 times.

Circulating Assets to Total Liabilities. To the close of the second quarter of 2011, this ratio was equal to 1.23 times the amount obtained in 2010 which was of 1.42 times.

SOURCES OF LIQUIDITY

In addition to the generation of cash flows originated by the operation, Grupo's subsidiaries have contracted revolving credit lines with banking institutions as well as letters of credit to face their working capital needs.

Letters of Credit. To the close of the second quarter of 2011, the subsidiaries had, at their disposal, letters of credit in US\$ Dollars, of which they used 37.1% of the total available; they did not have any letters of credit in Mexican Pesos.

Revolving Credit and Regular Credit Lines. To the close of the second quarter of 2011 the subsidiaries had at their disposal credit lines in Pesos, of which they used 65.1% of the total available.

RELEVANT TAX CREDITS OR DEBTS

To the close of the second quarter of 2011, Company is up to date in the payment of its tax obligations.

The Company's internal controls are focused on safeguarding the assets, complying with all established policies and proceedings, detecting and preventing fraud and generating trustworthy financial information.

GENERAL INFORMACION

Grupo Gigante, S.A.B. de C.V.
Ticker Code in the BMV: Gigante*
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Grupo Gigante, S.A.B. de C.V. and Subsidiaries

Consolidated Balance Sheets
As of June 30, 2011 and 2010

(In Millions of Mexican Pesos)

Concept	2011	2010
Total Assets	22,797	21,798
Current Assets	5,582	5,910
Investment in Shares	213	213
Property and Equipment - Net	16,425	15,151
Goodwill and Deferred Charges - Net	572	514
Other Assets	5	10
Total Liabilities	4,555	4,163
Current Liabilities	2,296	2,007
Deferred Taxes	1,664	1,617
Employee Benefits	40	29
Long - Term Bank Loans	555	510
Stockholders' Equity	18,242	17,635

Grupo Gigante, S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Income
 From January 1 to June 30, 2011 and 2010
 (In Millions of Mexican Pesos)

Concept	2011	2010
Revenue	6,207	5,195
Cost of Sales	3,901	3,283
Gross Revenue	2,306	1,912
Operating Expenses	1,776	1,467
Operating Income	530	446
Other Income and (Expenses) - Net	-20	-14
Net Comprehensive Financing (income) cost	-69	37
Non - ordinary items	0	0
Income from Continuing Operations before Income Taxes	440	469
Expensive Taxes	93	81
Income from Continuing Operations	348	388
Discontinued Operations	0	-8
Consolidated Net Income	348	380
Net Income of Majority Stockholders	1	-9
Net Income of Minority Stockholders	347	390

Grupo Gigante, S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Income
 From April 1 to June 30, 2011 and 2010
 (In Millions of Mexican Pesos)

Concepto	2011	2010
Revenue	3,101	2,602
Cost of Sales	2,035	1,712
Gross Revenue	1,066	889
Operating Expenses	801	672
Operating Income	265	217
Other Income and (Expenses) - Net	-9	-2
Net Comprehensive Financing (income) cost	-31	34
Non - ordinary items	0	0
Income from Continuing Operations before Income Taxes	224	249
Expensive Taxes	47	26
Income from Continuing Operations	177	223
Discontinued Operations	0	-8
Consolidated Net Income	177	216
Net Income of Majority Stockholders	-2	-3
Net Income of Minority Stockholders	179	219