



April 25, 2007

## 1Q07 Earnings Release

Figures appearing in this document are expressed in millions of Mexican pesos using the purchasing power as of March 31, 2007, unless otherwise specified. Figures may vary due to rounding. 'b.p.' denotes basis points



**Quarterly Results.**- During the first quarter of the year and for fourth consecutive quarter total sales shows a real increase of 5.5% when compare to the same period of the previous year. This result was impelled by the opening of new stores and a better performance in those stores with more than 12 months operating whose observed a growth in sales of 3.6% versus 1Q06s showing increases for third consecutive quarter



The results this period confirm the Company's rise trend on sales in the past quarters.

Gross margin for the quarter rose 170 basis points versus the corresponding margin observed in 1Q06. Gross income totalized 1,995 million pesos which represents a 24.6% on total sales.



Operating expenses registered a slight increase of 1.7% during the quarter compared to the same period of 2006, in spite of counting to 66 stores more than 1Q06.

Operating cash flow grew by 67.3% versus 1Q06, a total amount of 460 million pesos as a result of a greater gross income and a strict control in expenses.



### GRUPO GIGANTE, S. A. DE C. V. AND SUBSIDIARIES FIRST QUARTER 2007 RESULTS

	1Q07	1Q06	% Change
Net Sales	8,116	7,690	5.5
<b>Gross Profit</b>	<b>1,995</b>	<b>1,757</b>	<b>13.5</b>
Operating Income	260	53	392
<b>EBITDA</b>	<b>460</b>	<b>275</b>	<b>67.2</b>
<b>Comprehensive Financing Cost</b>	<b>109</b>	<b>63</b>	<b>72.8</b>
Income Tax Provision	40	26	
Extraordinary Items	23	90	-74.2
<b>Net Income</b>	<b>86</b>	<b>(127)</b>	<b>168.4</b>



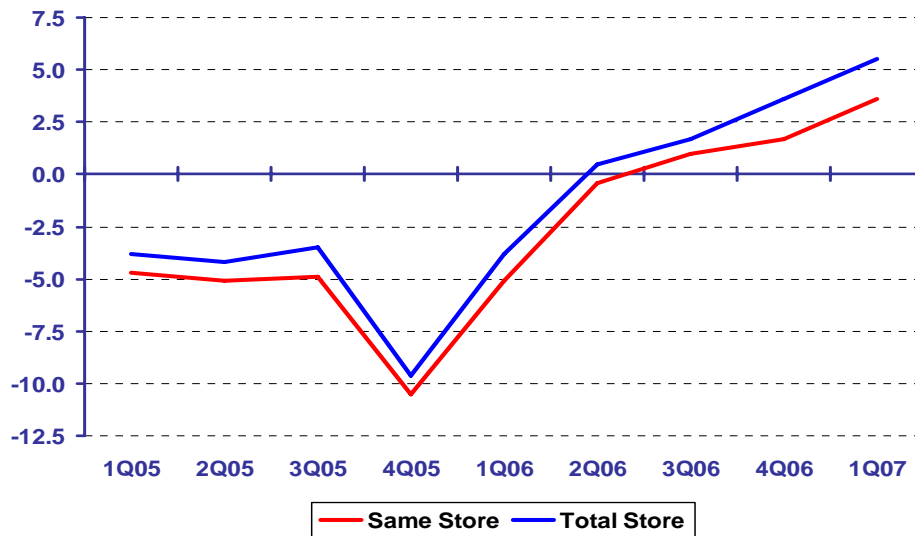


**Sales.-** During the quarter, total sales showed an increase of 5.5% compared to 1Q06 amounting 8,116 million pesos. Same store sales increased by 3.6%.

With this we continue showing not only positive but ascending results. In this quarter we even surpassed the same store growth reported by the ANTAD retail partners in 2.5 percentage points.

This behavior on sales is mainly due to a dynamic national consuming as well as a more competitive position of Grupo Gigante resulting of the Transformation project in the supermarket segment and the strong performance of our restaurants and joint ventures.

**SALES**  
Real Variation vs. Same Quarter Last Year



**Gross Income.-** During the quarter, gross profit was of 1,995 million pesos, which means an increase of 13.5% compared to the same period of the last year.

Gross margin increased 1.7 percentage points to 24.6%. The improving in this ratio is explained by the growth tendency in sales in restaurants and joint venture businesses, above the growth in supermarket business. Besides we observed a better mix sales and a higher sales on private label products in Gigante, Bodega Gigante and Super Gigante formats derived from permanent efforts in the optimization of the product catalog by format and zone.

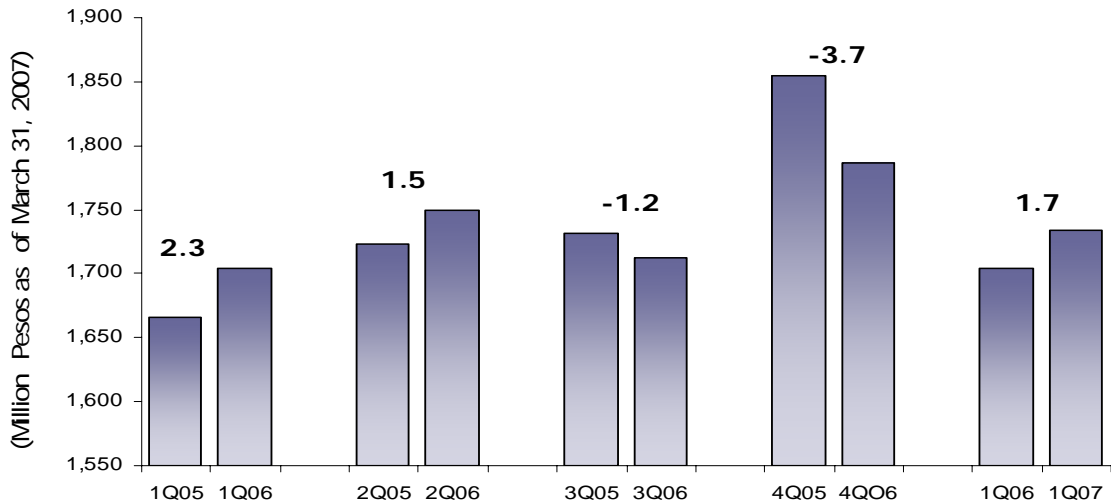
**Operating expenses.-** The strategy followed by our different business units has allow us to keep a strict control on expenses during the quarter, in which a slight increase of 1.7% is observed, totalizing 1,734 million pesos.

It is worth noting that this increase is below the growth of 5.5% in total sales, which enhanced us to improve operating results. The most important savings in the quarter corresponds to organizational structure transformation accomplished in 2006, the

consolidations of our distributions centers as well as the optimization process in publicity expense.



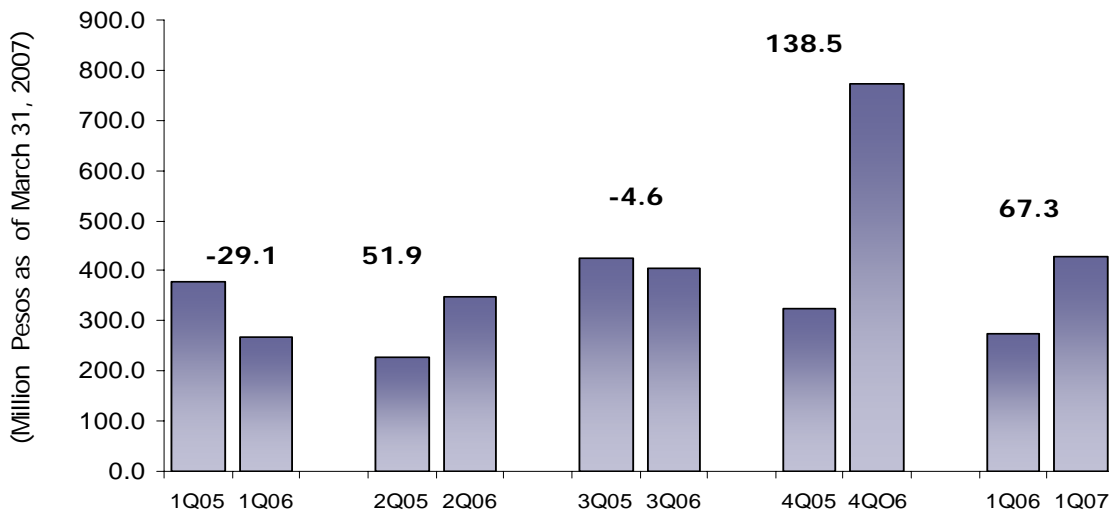
### TOTAL EXPENSE Real Variation vs. Same Quarter Last Year



**Operating Income.-** Supported by the growth in sales and the strict control on expenses operating income for this quarter was of 260 million pesos, comparing favorably to 53 million pesos registered on the same period of the previous year. This amount represents 3.2% on total sales and is 3.9 higher than the observed in 1Q06

**Operating cash flow.** – Company's operating cash flow for the first quarter 2007 reached 460 million pesos, an important increase of 67.3% comparing to the 275 million pesos registered in 1Q06 and represents 5.7% on total sales.

### Quarterly Operating Cash flow (EBITDA) Real Variation vs. Same Quarter Last Year





**Comprehensive Financial Cost.**- The comprehensive financial cost (CFC) in 1Q07 was of 109.4 million pesos, 72.8% higher than CFC registered in 1Q06. This increase is attributable to the exchange gain resulting from the bond emission in US dollar.

**Extraordinary Items.**- At the end of the quarter, extraordinary items were 74.2% lower than the observed in 1Q06, totaling 23 million pesos, derived from the closing of non-productive stores.

**Net Income.**- The quarter registered a net income of 86 million pesos, representing an increase of 168.3% versus net loss showed in 1Q06 of 127 million pesos.

**Relevant events.**- As a part of the strategy tending to optimize financial resources, in March this year we restructure the coverage on debt which correspond to US\$ 260 bond. Under this new scheme, coupons will be paid on April, 2011, reducing the rate in pesos from 9.75% to 8.75.

**Installed Capacity.**- During the first quarter of the year, ten stores were opened: four SuperPrecio, five Radio Shack and one Office Depot. Additionally and looking to increase our operating efficiency, one Gigante, one Bodega Gigante and four SuperPrecio stores were closed.

Based on this, the total of units in operation at the first quarter of 2007 is 639, a total of 1,109,444 sqm in sales floor area and 13,172 seats.

### Stores Opening

Format	Branch	Office	Radio Shack	SuperPrecio
Office	Lomas Verdes	1		
Radio Shack	Villasuncion Aguascalientes		1	
	Galerias Queretaro		1	
	Centrika Monterrey		1	
	Mega Cuautla		1	
	Arboledas		1	
Super Precio	Mani			1
	Huayatta			1
	25 de Julio			1
	Cuauhtepc			1
<b>Total</b>		<b>1</b>	<b>5</b>	<b>4</b>

As of March 31<sup>st</sup>, 2007 the number of stores and sales floor area by format were as follows:

### Installed Capacity of Grupo Gigante

	2006	Closings	Openings	1Q07	Sqm Sales Floor	Chg % Sales Floor
	97	1	0	96	539,631	-1.3
	52	1	0	51	193,758	-3.1
	59	0	0	59	130,554	0.0
	79	4	4	79	19,022	0.1
	287	6	4	285	882,965	-1.5
	63	0	0	63	13,172**	0.0
	138	0	1	139	208,099	0.6
	147	0	5	152	18,382	2.3
<b>Total</b>	<b>635</b>	<b>6</b>	<b>10</b>	<b>639</b>	<b>1,109,444</b>	<b>-1.0</b>

\* Gigante includes Gigante USA

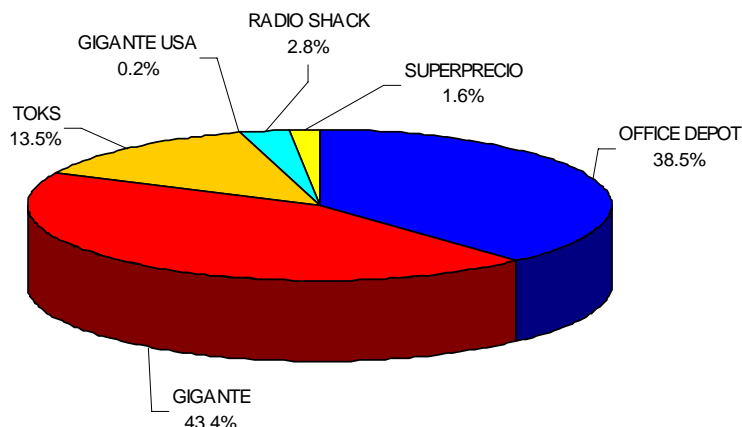
\*\* Number of seats



**Additions to the Net Property, Plants and Equipment.**- This quarter, the amount invested in fixed assets totaled 226 million pesos, appointed to systems, logistics, remodeling and openings



### Participation of the Subsidiaries in the CAPEX



### Main Financial Ratios



Financial Ratios	1T07	1T06
Inventory days	62.60	60.30
Accounts Payable Days	60.90	58.80
Net Income per share*	\$0.59	-\$0.38
EBITDA per share*	\$1.38	\$0.39
Gross Margin	24.60	22.90
Operating Margin	3.20	0.70
Net Margin	1.10	-1.60
Interest bearing Liabilities to Stockholder's Equity	0.22	0.23
Total Liabilities to Stockholder's Equity	0.74	0.69



*Shares Outstanding	982,389,877	982,551,777
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Sincerely  
**Ángel Losada Moreno**  
 CEO

## GRUPO GIGANTE, S. A. B. DE C. V. Y SUBSIDIARIAS

## INCOME STATEMENT

Accumulated figures to the First Quarter 2007/2006

Thousands Pesos as of March 31, 2007

ITEM	1Q07	1Q06
Net Sales	8,115,560	7,690,073
Cost of Sales	6,121,027	5,932,608
<b>Gross Profit</b>	<b>1,994,533</b>	<b>1,757,465</b>
Operating Expenses	(199,871)	(222,328)
Amortization and Depreciation	199,871	222,328
<b>Operating Income</b>	<b>260,466</b>	<b>52,851</b>
<b>Comprehensive Financial Cost</b>		
Interest Paid	80,025	87,478
Exchange Loss (Gain) Net	43,297	(443)
Interest Earned	5,390	5,681
Monetary Position	(81,390)	(69,487)
Other Financial Expenses	72,496	50,431
Other Financial Income	(341)	(985)
	<b>109,379</b>	<b>63,283</b>
Other Expenses (Income) Net	(1,060)	(1,063)
Special Items	-	-
<b>Net Income Before Taxes</b>	<b>152,147</b>	<b>(9,369)</b>
Provisions for Taxes and Profit Sharing due	39,522	25,792
<b>Net Income After Taxes</b>	<b>112,625</b>	<b>(35,161)</b>
Equity in Earnings of Unconsolidated Subsidiaries	-	-
<b>Net Income for Recurring Operations</b>	<b>112,625</b>	<b>(35,161)</b>
Income for Non-Recurring Operations	-	-
<b>Net Income Before Extraordinary Items</b>	<b>112,625</b>	<b>(35,161)</b>
Net Extraordinary Items	23,264	90,184
Net Accumulative Effect of Chg. In Accounting Principle	-	-
<b>Net Income</b>	<b>89,361</b>	<b>(125,345)</b>
Minority Net Income	2,882	1,159
Majority Net Income	86,479	(126,504)

**GIGANTE****Bodega  
GIGANTE****SuperG****GIGANTE  
USA****SuperPrecio**  
El Super del Ahorro**ToKs****Office  
DEPOT****RadioShack**



**BALANCE SHEET**  
**Accumulated figures to the First Quarter 2007/2006**  
**Thousands Pesos as of March 31, 2007**

ITEM	1Q07	1Q06
<b>Total Assets</b>	<b>23,579,127</b>	<b>22,642,106</b>
<b>Current Assets</b>	<b>6,241,960</b>	<b>5,569,184</b>
Cash and Temporary Investments	418,820	383,797
Trade Accounts Receivable (Net)	282,210	255,126
Other Accounts Receivable (Net)	1,049,289	701,662
Inventories	4,260,270	3,972,547
Other Current Assets	231,371	256,052
<b>Long-Term</b>	<b>227,151</b>	<b>214,033</b>
Accounts Receivable (Net)	-	-
Investments in Equity Shares and Unconsolidated Subsidiaries	-	-
Other Investments	227,151	214,033
<b>Property, Plant and Equipment</b>	<b>16,229,320</b>	<b>15,983,310</b>
Property	17,098,354	16,477,633
Machinery and Industrial Equipment	-	-
Other Equipments	6,238,242	8,004,609
Accumulated Depreciation	7,175,664	8,687,877
Buildings in Process	68,388	188,945
<b>Deferred Assets</b>	<b>683,940</b>	<b>650,419</b>
<b>Other Assets</b>	<b>196,756</b>	<b>225,160</b>





**BALANCE SHEET**

Accumulated figures to the First Quarter 2007/2006

Thousands Pesos as of March 31, 2007

ITEM	1Q07	1Q06
<b>Total Liabilities</b>	<b>10,060,209</b>	<b>9,251,479</b>
<b>Current Liabilities</b>	<b>5,898,606</b>	<b>5,172,497</b>
Accounts Payable	4,140,940	3,875,477
Bank Debt	45,380	101,315
Debt Securities	-	-
Accrued Taxes	337,616	132,742
Other Current Liabilities	1,374,670	1,062,963
<b>Long-Term Liabilities</b>	<b>3,018,662</b>	<b>2,836,730</b>
Bank Debt	43,002	2,775,367
Debt Securities	2,873,182	-
Other Debts	102,478	61,363
Deferred Liabilities	-	-
<b>Other Long-Term Liabilities</b>	<b>1,142,941</b>	<b>1,242,252</b>
<b>Shareholders' Equity</b>	<b>13,518,918</b>	<b>13,390,627</b>
<b>Minority Shareholders' Equity</b>	<b>109,690</b>	<b>103,099</b>
<b>Majority Shareholders' Equity</b>	<b>13,409,228</b>	<b>13,287,528</b>
<b>Paid-In Capital</b>	<b>9,942,770</b>	<b>9,933,681</b>
Capital Stock	2,617,318	2,608,710
Premium on Stock Sold	7,325,452	7,324,971
Reserve for Restatement on Shareholders' Equity	-	-
<b>Capital Increase (Decrease)</b>	<b>3,466,458</b>	<b>3,353,847</b>
Cumulative Results and Equity Reserve	17,289,397	16,789,501
Other Cumulative Results	(13,871,865)	(13,497,539)
Reserve for Shares Repurchase	48,926	61,885

## Web Pages

[www.gigante.com.mx](http://www.gigante.com.mx)  
[www.grupogigante.com.mx](http://www.grupogigante.com.mx)  
[www.officedepot.com.mx](http://www.officedepot.com.mx)  
[www.toks.com.mx](http://www.toks.com.mx)  
[www.radioshack.com.mx](http://www.radioshack.com.mx)

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## Claves de Cotización

Bolsa Mexicana de Valores: **Gigante\***  
NYSE: ADR 144-A **GYGJY** / ADR Nivel I **GPGTY**  
Irish Stock Exchange: Senior Notes ISIN **USP4952LAA46**

The logo for Gigante, featuring the word "GIGANTE" in a bold, red, sans-serif font.The logo for Bodega Gigante, with "Bodega" in a smaller green font above "GIGANTE" in a bold red font.The logo for Super G, with "Super" in a red script font and "G" in a bold red sans-serif font.The logo for Gigante USA, with "GIGANTE" in red and "USA" in blue below it, separated by a horizontal line.The logo for SuperPrecio, with "SuperPrecio" in yellow on a blue background and "El Super del Ahorro" in white below it.The logo for Toks, featuring the word "Toks" in a stylized, cursive font with a registered trademark symbol.The logo for Office DEPOT, with "Office" in red and "DEPOT" in a bold red sans-serif font below it.The logo for RadioShack, featuring a registered trademark symbol (R) in a circle above the word "RadioShack" in a bold, black, sans-serif font.