



April 23, 2009

MANAGEMENT DISCUSSION AND ANALYSIS OF THE COMPANY'S OPERATING AND FINANCIAL RESULTS FOR FIRST QUARTER OF 2009¹

Figures corresponding to 2008 presented in this report are expressed in millions of pesos with purchasing power as of March 31, 2008 and figures corresponding to 2009 are as of March 31, 2009. 'p.p.' represents percentage points, 'b.p.' represents basis points and 'md' represents million of US dollars.

During the first quarter of the year, performance across our businesses was favorable, and moderate growth was recorded both, in terms of units and sales, which allowed us to further strengthen our position in the markets where we operate. Similarly, the real estate business had a solid quarter given its extensive client portfolio.

The results achieved in the quarter from January to March are significant especially considering that the domestic economic continued to operate in an uncertain scenario, even when a few indicators are now showing some signs of recovery.

Operating and Financial Highlights for 2009's First Quarter

- Totals sales grew **17%** and same store sales opened for over a year increased **6.3%** when compare to 1Q08
- Cost of sales increased **18.0%** of sales when compare to 1Q08
- Gross profit rose by **16%**
- **19** new units were opened during the quarter
- Operating expenses, mostly related to the expansion plan, increased **20%**
- Operating income increased **5%**
- Cash flow reached **\$306 mp.**

¹ As it was announced in December 2008 Grupo Gigante sold its participation in Radio Shack de México. As a result, comparison and figures presented in this report are in pro forma basis, which means that data corresponding to 2008 excludes the results of Radio Shack de México, with the goal of making them comparable to 2009 figures.



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First Quarter 2009 Results

	1Q09	1Q08	Var %
Net Sales	2,252,511	1,925,408	17.0
Gross Profit	930	804	15.7
Operating Income	223	212	5.2
Net Income	204	2,260	-91.0

Figures in million pesos

Sales.- During the first quarter, consumption in Mexico partially stopped the decline registered since the second half of last year. Consumer prices decreased during March despite the decline of 23 p.p. in annual terms² in the confidence consumer index.

Under this scenario, each of the Company's business units sought to strengthen its presence among our clients by launching attractive promotions and offering better service, which has been a characteristic to all our stores and restaurants. Similarly, Gigante Grupo Inmobiliario expanded its leasing portfolio and continued developing commercial projects to boost additional revenue.

Following the expansion plan during the last 12 months, **88** new units opened; we reinforced the presence of Toks Restaurants, Super Precio stores and Office Depot. In addition, we opened the first **2** stores of a new format called The Home Store.

Reflecting the solid performance of our businesses, the Company's total sales rose to **\$2,253 mp**, or **17%** from 1Q08. Similarly, same store sales increased **6.3%**, amounting to **\$1,984 mp**.

Cost of Sales.- From January to March 2009, the cost of sales totaled **\$1,322 mp**, increasing **18%** when compared to the same year ago period. This growth stems mainly from the addition of new units.

² Banco de México



As a percentage of sales, cost of sales represented this quarter **58.7%** versus **58.2%** in 1Q08.

Gross Profit.- During the first quarter, gross profit amounted to **\$930 mp**, increasing **16%** from 1Q08, as a result of higher sales. As a result, the gross margin was **41.3%**.

Operating expenses.- During 1Q09, the operating expenses totaled **\$707 mp**, and were **20%** above those registered in the same 2008 period. This variation is mainly explained by the addition of **90** new stores in diverse formats during the last 12 months: **50** Super Precio stores, **26** Office Depot, **12** Toks Restaurants y **2** Store Home.

Operating income.- The efforts in all our formats to reach customers preference along with the expense control contributed to a growth in our operating income. At the close of the January-March 2009 period, the operating income increased **5%** from the same 2008 quarter, reaching **\$223 mp**.

Operating Cash Flow.- During **1Q09**, the operating cash flow amounted to **\$306 mp**, which is slightly below the figure recorded in **1T08** as a result of a lower depreciation during the period.

Comprehensive Financing Cost (CFC).- At the close of the quarter, the comprehensive cost of financing amounted to **\$85 mp**, which favorably compares with the figure recorded in 2008 period. The variation mainly stems from the foreign exchange depreciation and interests earned.

Tax on income.- At the close of the January-March period, the income tax amounted to **\$85 mp**, and was above that of the same year-ago period, which resulted from a larger fiscal base than the previous period.

Net Income. – From January to March 2009, the net result amounted to **\$205 mp**, which compares unfavorably to the previous period. It is worth noting that net income was negatively affected by operations that were discontinued. In fact, income before discontinued operations amount to **\$219 mp**, an increase of **204%** from 1Q08.



Relevant events.- The past March 27 Grupo Gigante informed that its Board of Directors took several strategic decisions. First, the Board decided to celebrate its Ordinary Shareholders' Meeting, which will take place on April 27, to discuss among several proposals the dividend payment per share in the terms and conditions that will be established once the increase is approved by the Assembly.





The Board also approved the Strategic Plan for the Group 2009 – 2013, following the proposal that was presented by the Strategic Consulting Committee, which included the opinions of the Finance and Corporate Practices Committees, and the participation of an internal working group supported by external consultants. Among the highlights of the plan, are the redefinition of the strategic principles, regarding its mission, vision, values and acting vehicles.

The plan incorporates concrete goals and objectives for the following 5 years, and considers specific variables and adjustments depending of the economic and financial conditions in the operating environment. Said goals and considerations will be applied to existing businesses and newly identified strategic opportunities as well as additional ones to be found, with the goal of developing new businesses or formats.

Capital Investments. — During 1Q09, the Group invested a total of **\$152 mp** which represents **10.3%** of the **\$1,481 mp** budgeted for 2009. Said amount was used to acquire land, construction and equipment necessary for the opening of new stores, refurbishing of old ones and information technology improvements.

As of March 31 2009, a total of **19** new units opened: **2** Office Depot stores, **14** Super Precio, **1** Toks Restaurant, along with **2** new stores under the format The Home Store. Including the latest openings, the total number of units in operation was **416**, with a total sales floor area of **290,434 m²** and **18,366** seats. Also, in the period **1** Office Depot and **2** Super Precio stores were closed.

At the close of the quarter, Grupo Gigante's sales floor area was composed of the following:

	4Q08	Closings	Openings	1Q09	Sales Floor Sqm.	Var% March vs. Dec
	126	2	14	138	34,190	11.2%
	85	0	1	86	18,366	1.3%
	189	1	2	190	253,744	0.5%
	0	0	2	2	2,500	0.0%
Total	400	3	19	416	290,434	2.5%

* Number of seats





During the quarter the following openings and closings were carried out

Openings

Store	Branch	State
	1 Manuel Cañas	Distrito Federal
	2 Ángel de la Independencia	Edo. de Méx
	3 Eje 8	Edo. de Méx
	4 San Miguel Ajusco	Distrito Federal
	5 San Gregorio	Distrito Federal
	6 Laguna de Guzmán	Distrito Federal
	7 Nopala	Edo. de Méx
	8 Héctor Victoria	Distrito Federal
	9 San Pedro	Edo. de Méx
	10 Tláhuac	Edo. de Méx
	11 Libramiento	Edo. de Méx
	12 Mariano Matamoros	Distrito Federal
	13 Congreso	Distrito Federal
	14 Av. México	Distrito Federal
	1 Monclova	Coahuila
	2 Plaza los Corrales	Veracruz
	1 Metepec	Edo. de Méx

Closings

	1 Emiliano Zapata	Edo. de Méx
	2 Cuauhtémoc	Edo. de Méx
	1 Tláhuac	Distrito Federal



Grupo Gigante, S.A.B. DE C.V.
Income Statement
First Quarter of 2009 / 2008
Thousands of Pesos

Item	1Q09	1Q08
Net Sales	2,252,511	1,925,408
Cost of Sales	1,322,136	1,121,141
Gross Profit	930,375	804,267
Total Operating Expenses	707,211	591,501
Operating Income	223,164	212,766
Other Income and Expenses (Net)	(2,285)	10,451
Comprehensive Financial Result (CFR)	84,511	(93,456)
Extraordinary Items	-	10,336
Net Income Before Taxes	305,390	140,097
Tax on Income	85,509	67,634
Net Income Before Discontinued operations	219,881	72,463
Discontinued operations	(15,210)	2,195,010
Net Consolidated Income	204,671	2,267,473
Net Income of Minority Interest	-	6,973
Net Income of Majority Interest	204,671	2,260,500



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Balance Sheet

January 1 to March 31, 2009

Thousands of pesos

Item	2009	2008
Total Assets	21,304,738	27,375,014
Current Assets	6,773,106	13,514,713
Cash and Cash Equivalents	4,717,371	7,268,938
Trade Accounts Receivable (net)	136,874	115,612
Other Accounts Receivable (net)	701,961	3,094,417
Inventories	1,095,754	1,009,631
Other Current Assets	121,146	2,026,114
Long Term Assets	216,044	218,304
Accounts Receivable (net)	-	-
Investment in Equity Shares and Unconsolidated Subsidiaries	-	-
Other Investments	216,044	218,304
Property Plant and Equipment (net)	13,802,017	12,867,021
Deferred Assets	493,999	488,837
Other Assets	19,573	286,139



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Balance Sheet

January 1 to March 31, 2009

Thousands of pesos

Item	2009	2008
Total Liabilities	3,790,776	6,495,413
Current Liabilities	1,955,330	3,920,315
Accounts Payable	803,169	756,391
Bank Debt	90,000	89,000
Debt Securities	-	-
Other Credits	-	-
Accrued Taxes	210,853	1,767,733
Other Current Liabilities	851,308	1,307,191
Long Term Liabilities	-	9,000
Bank Debt	-	9,000
Debt securities	-	-
Other Debts	-	-
Deferred Liabilities		-
Other Long Term Liabilities	1,835,446	2,566,098
Shareholder's Equity	17,513,963	20,879,601
Minority Shareholder's Equity	-	133,376
Majority Shareholder's Equity	17,513,963	20,746,224
Paid in Capital	10,360,831	10,337,238
Capital Stock	2,689,304	2,689,089
Premium on Stock Sold	7,671,527	7,648,149
Contributions for Future Capital Increases	-	-
Increase (loss) in Capital	7,153,132	10,408,987
Cumulative Results and Equity Reserve	7,153,132	10,408,987
Other Cumulative Results	-	-
Reserve for Shares Repurchase	-	-



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