



GRUPO GIGANTE REPORTS RESULTS FOR THE FIRST QUARTER 2011

Mexico City, April 27 2011. Grupo Gigante, P.L.C, (hereinafter, "Grupo Gigante", or the "Company") reported its first quarter results today.

Grupo Gigante is a holding company that has operated in Mexico for the last 48 years. It is in charge of businesses that participate in the specialized businesses field, restaurants and real estate, and has a commercial presence in 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 are expressed at par value.

For more details on the results and the financial status of Grupo Gigante, we suggest reviewing the financial information reported to the BMV under ticker code "Gigante".

RELEVANT INFORMATION TO THE FIRST QUARTER

- The total sales during the first quarter of 2011 showed an increase of 19.8% compared to the first quarter of the previous year, while the operating expenses registered a variation of 22.7% when compared to the first quarter of 2010. Same-store sales increased 1.4% during the January-March 2011 period when compared to the first quarter of 2010.
- The gross revenue of the first quarter of 2011 increased 21.2% when compared to the first quarter of 2010.
- The operating revenue of the first quarter of 2011 was higher by 15.9% in comparison to the operating revenue obtained in the first quarter of 2010.
- The cash flow (EBITDA) of the first quarter of 2011 increased by 18.3% in comparison to the first quarter of the previous year.

MX\$Million: Millions of Mexican Pesos



QUARTERLY AND CUMULATIVE RESULTS

The **total sales** during the first quarter of 2011 added up to MX\$3,106 Million, an amount which represents an increase of 19.8% from the first quarter of 2010. Same-store sales reached an increase of 1.4%, a total of MX\$2,561 Million.

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 134 units in the last twelve months.

The **sales cost** recorded during the first quarter of the year was MX\$1,866 Million, which represents an increase of 18.8% in comparison to the first quarter of 2010. There was a decrease of 0.5 p.p. in sales.

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 the January-March period of 2011, the **gross revenue** increased 21.2% from the first quarter of 2010, showing by the end of the period a total of MX\$1,240 Million. The gross margin in the first quarter of 2011 was of 39.9%, 0.5 p.p. higher than the gross margin recorded during the first quarter of 2010.

The increase in Mexican Pesos of the gross revenue is attributed mainly to the sale growth of equal units and the contribution of new units. The **operating expenses** of the first quarter of 2011 amount to MX\$974 Million, representing an increase of 22.7% in comparison to the figures recorded in the first quarter of 2010.

The increase in the total of this item comes from the Company's strategy of expanding the sales floor, with 134 openings in the last twelve months.

The **operating flow**, defined as the operating revenue plus depreciation and amortization, of the first quarter of 2011, added up to MX\$378 Million, 18.3% higher than the one recorded in the first quarter of 2010.

The **comprehensive financial result** recorded in the first quarter of 2011 was unfavorable by MX\$37.8 Million, in comparison to the favorable result of MX\$3.2 Million reported in first quarter of 2010.

The **net revenue** of the first quarter of 2011 represented 5.5% of the total sales and amounted to MX\$170.5 Million. This item shows an increase of 3.4% from the first quarter of the previous year.

UNITS UNDER OPERATION

During the first quarter of 2011 the Company opened a total of 29 units: one Office Depot store, 27 Super Precio stores and one Home Store; also, ten units were closed. With the inclusion of these openings and closings, the total number of **operating units** at the end of the quarter was 753, with a total of 421,506 m² of sales floor and 19,889 seats.

CAPITAL INVESTMENT

So far this year, the company has made **capital investments** in the amount of MX\$375 Million as scheduled; this includes the total investments by the subsidiary in a joint venture.

The internal controls of the company are focused on safeguarding the assets, complying with the established policies and procedures, detecting and preventing fraud and generating reliable financial information.

PRESS RELEASES

During the first quarter, Grupo Gigante informed the general public about the following significant event:

A final judgment was issued on January 5 2011 by the sixth collegiate civil court in Mexico City, confirming the judgment issued on May 12 2010 by the XIII district civil judge in Mexico City which denied the appeal and judicial protection to Blanco, in light of the actions claimed before the third civil court and the 42nd Civil Judge of the Supreme Court of Mexico City, which means that the decision handed down on November 11 2009 resolving the approval of the payment made by Gigante, S.A. de C.V., to Blanco, decreasing the amount of interest paid by \$18,387 Mexican Pesos, to equal the amount of MX\$1,112,051 Mexican Pesos, is now a firm decision and therefore it was concluded that Gigante, S.A. de C.V., paid their debt with Blanco in excess, and as a result the long judicial proceeding (lasting almost 15 years) was resolved in favor of Gigante, S.A. de C.V. and its shareholders.

FINANCIAL STATUS

The company has no relevant transactions that were not noted on the balance sheet.

Current Assets

Cash and investments in securities. By the end of the first quarter of 2011, the amount of these securities is equal to MX\$2,913, a figure that is 21.4% lower than the one recorded at the end of the first quarter of 2010. This decrease was caused by the dividend payment to the stockholders and investments in Real Estate projects as well as other types of projects carried out during the last twelve months.

Inventory. By the end of the first quarter of 2011, this item recorded MX\$1.870Million, which represents an increase of 24.6%, when compared to the first quarter of 2010. The increase is generated because of the inventory required for the opening of 134 stores in the last twelve months.

Property and equipment. The increase of 8.9% is due to adaptations and furniture acquired for the opening of nine new business units, as well as Real Estate investments for development projects and purchases of land.

Long-term Assets

Discontinued assets (long-term). In 2011, this item has no balance, in comparison to the MX\$11 Million Mexican Pesos reported in 2010; since during said year there still were long-term assets from the supermarket business.

Current Liabilities

Trade accounts and notes payable. By the end of 2011, there was MX\$1.238 Million recorded in this item, a figure 24.7% higher than the one recorded in the first quarter of 2010. This is due to the growth of the 134 stores during the last twelve months.

Bank credits. By the end of 2011 the Company recorded MX\$62 Million, compared to the MX\$346 Million during 2010. This represents a decrease of 82.2%.

Long-term liabilities

Employee benefits. By the end of 2011, this account shows a balance of MX\$38 Million, 37.5% higher than the one recorded in 2010. This variation is a result of the adjustment in the estimate of the employment obligations, which is calculated annually by an actuary, based on the method of the projected unit credit.

Long-term debt. In June of 2010 the company contracted two bank loans with a ten year mortgage guarantee; the purpose of the credits was to support some of the Real Estate developments.

FINANCIAL RATIO

Total liabilities to total assets. By the end of the first quarter of 2011, this ratio is equal to 0.20 times compared to the ratio obtained in 2010 (0.18 times).

Total liabilities to stockholders' equity. By the end of the first quarter of 2011, this ratio is equal to 0.25 times compared to the ratio obtained in 2010 (0.22 times).

Current assets to current liabilities. By the end of the first quarter of 2011, this ratio is equal to 2.68 times compared to the ratio obtained in 2010 (2.87 times).

Current assets minus inventory to current liabilities. By the end of the first quarter of 2011, this item is equal to 1.82 times compared to the ratio obtained in 2010 (2.17 times).

Current assets to total liabilities. By the end of the first quarter of 2011, this ratio is equal to 1.3 times compared to the ratio obtained in 2010 of 1.57 times.

SOURCE OF LIQUIDITY

In addition to the generation of cash flow from the operation, the subsidiaries of the company have contracted revolving credit lines and credit cards from Banks to address the needs of the working capital.

Credit Cards. By the end of the first quarter of 2011, the subsidiaries had at their disposal US\$ credit cards, of which 40.6% of the total was used. However, there were no credit cards in Mexican Pesos.

Revolving credits and simple credits. By the end of the first quarter of 2011, the subsidiaries had at their disposal lines of credit in Mexican Pesos, of which 76.5% of the total was used.



CREDITS OR SIGNIFICANT TAX DEBTS

By the end of the first quarter of 2011 the Company is aware of tax liabilities in their care.

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 March 31, 2011 and 2010

(In Millions of Mexican Pesos)

Concept	2011	2010
Total Assets	22,770	21,676
Current Assets	5,845	6,108
Investment in Shares	213	214
Property and Equipment - Net	16,146	14,829
Goodwill and Deferred Charges - Net	554	514
Other Assets	11	11
Total Liabilities	4,507	3,885
Current Liabilities	2,183	2,128
Deferred Taxes	1,727	1,729
Employee Benefits	38	28
Long - Term Bank Loans	559	0
Stockholders' Equity	18,263	17,791

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

Consolidated Statements of Income
 From January 1 to March 31, 2011 and 2010
 (In Millions of Mexican Pesos)

Concept	2011	2010
Revenue	3,106	2,593
Cost of Sales	1,866	1,570
Gross Revenue	1,240	1,023
Operating Expenses	975	795
Operating Income	265	228
Other Income and (Expenses) - Net	-11	-12
Net Comprehensive Financing (income) cost	-38	3
Non - ordinary items	0	0
Income from Continuing Operations before Income Taxes	216	220
Expensive Taxes	45	55
Income from Continuing Operations	171	165
Discontinued Operations	0	-0
Consolidated Net Income	171	165
Net Income of Majority Stockholders	3	-6
Net Income of Minority Stockholders	168	171