COMMENTS AND ANALYSIS BY THE ADMINISTRATION ABOUT THE OPERATIONAL RESULTS AND FINANCIAL SITUATION OF THE COMPANY AT THE CLOSE OF THE FOURTH QUARTER 2011

(Figures in millions of Pesos)

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

Grupo Gigante is a controlling company that has been operating in Mexico for the last 49 years. It control companies that participate in specialized sectors of commerce, including restaurants and real estate and they have a presence in all 32 states of the Mexican Republic, as well as in some countries in Central and South America.

The numbers in this report have been prepared in accordance with the applicable Financial Reporting Standards [Normas de Información Financiera] (NIF); and therefore, are expressed in par value.

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

RESULTS FOR 4Q11

Total sales during the 4Q11 reached $3,515 Million MXP, representing a 9.6% increase with respect to 4Q10; the **same-store sales** increased by 3.1%, totaling $3,133 Million MXP.

Cost of sales totaled $ 2,201 Million MXP during the fourth quarter of the year, which represented an 11.8% increase compared with 4Q10. The sales percentages increased by 1.3 percentage points when comparing both years.

During the October-December period of 2011, the **gross revenue** increased by 6% with respect to the 4Q10; therefore, at the close of the period, the amount of $1,314 Million MXP was recorded. The gross margin in the 4Q11 was 37.4% resulting in -1.3 percentage points less than the figure registered for the same period in 2010.

Operating Expenses during the 4Q11 totaled $1,028 Million MXP, which represents a 12.6% increase compared to those recorded in 4Q10. In terms of the sales percentage, it represented 29.2%, equivalent to 0.7 percentage points more than the amount registered for the same period in 2010.

Operating Flows defined as operating revenue plus depreciation and amortization during 4Q11 summed $408 Million MXP**,** which is 4.6% less than in the 4Q10.

Million MXP: millions of Mexican pesos
US dollars: currency of the US

The **integral financing results** for 4Q11 were favorable by $14.3 Million MXP, compared to the favorable result of $32.3 Million MXP reported in the 4Q10. This reduction was caused by the economic variables such as the interest rate and the exchange rate.

Discontinued Operations. The Company recognized a provision for the disbursement generated by determining variations in taxes, which was attributed to the disincorporated operation of a subsidiary.

The **Consolidated Net Revenue for Continuous Operations** was $221 Million MXP, which compared to the 4Q10 represented a 2.9% reduction.

The **Consolidated Net Loss** for the 4Q11 totaled $211 Million MXP against the consolidated net profit of $226 Million MXP for the same period in 2010. The reduction was generated by the consequences of the discontinued operations.

RESULTS AS OF DECEMBER 2011

In cumulative terms, the **total sales** and **same-store sales** increased by 15.6% and 1.8%, respectively, when compared to the same period the previous year; so at the end of December 2011, the total sales reached $13,167 Million MXP and the same-store sales reached $11,145 Million MXP.

Grupo Gigante is making continuous efforts to generate growth in same-store sales; in terms of increasing the total sales, it is important to note that Grupo Gigante opened 98 units in the last 12 months.

At the close of December 2011, the **cost of sales** was $8,337 Million MXP, 16.1% more than the figure recorded in 2010. The increase may be explained by the contribution in the costs of sales of the units opened during the last twelve months. In terms of the ratio between the costs of sales – total sales remained at 63% during both periods.

Accumulative to December, **gross profits** totaled $4,830 Million MXP, an amount 14.9% more than the figure recorded during the same period in 2010. The increase is principally attributed to the increase in the sales of equivalent units and to the contribution to new units. The sales margin for both periods was 37%.

In cumulative terms, the **operating expenses** totaled $3,749 Million MXP, which is 19.4% more than $3,139 Million MXP recorded for the same period in 2010. The increase of this section was also generated by implementing the strategy to expand floor sales with 98 openings during the last twelve months. The percentage of sales in 2011 was 28.5%, while the previous year was 27.6%.

Operating Flows defined as operating revenue plus depreciation and amortization at the close of the December 2011 totaled $1,538 Million MXP and resulted in 6.3% more than the figure recorded for the same period the previous year.

In the cumulative period to December 2011, the **integral financing results** recorded a favorable amount of $60 Million MXP. When comparing the cumulative earnings to December 2011 with the same period the previous year, a 28.3%

reduction is recorded. This may be explained by the performance of the interest rate and the interests paid for bank loans during 2011.

Discontinued Operations. The Company recognized a provision for the disbursement generated by determining variations in taxes, which was attributed to the disincorporated operation of a subsidiary.

The **Consolidated Net Revenue for Continuous Operations** was $858, which compared to the 4Q10 represented a 0.2% increase.

The **Consolidated Net Loss** for December 2011 totaled $426 Million MXP, which was 49.7% less than the amount earned for the same period in 2010. The reduction was generated by the consequences of the discontinued operations.

Units in Operation. During the fourth quarter of 2011, a total of 17 units were opened: 5 Office Depot stores, 3 Super Precio stores, 3 Home Depot Stores, 5 Toks restaurant and 1 Panda Express restaurant. Neither stores nor restaurants were closed during this quarter.

By the inclusion of these openings and closings, the total number of units in operation at the close of the fourth quarter was 803 with a total number of 446,361 m^2 of sales floor and 21,514 seats.

Capital Investments. The Company invested $1,975 Million MXP, according to its annual program, which includes all joint venture investments by its subsidiary.

Relevant Events. During the fourth quarter, Grupo Gigante did not have any relevant events to inform to the public.

Grupo Gigante once again reiterates 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 and the Mexican Stock Exchange.

FINANCIAL SITUATION

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

Current Assets

Cash Equivalents and Investment in Securities. At the close of the fourth quarter of 2011, the amount of these securities was $2,614 Million MXP (including investments classified for negotiation purposes and available for sale), which figure is smaller by 17.2% than the amount recorded at the close of fourth quarter 2010. The reduction is principally due to the dividend payments to shareholders as well as the investments in real-estate projects and others carried out during the last 12 months.

Other Current Assets. At the end of the 4Q11, this heading totaled $103 Million MXP, representing a decrease of 16.1% compared to the same period for 2010. The decrease corresponds to advance payments made in 2010, which were capitalized as real-estate properties, plant and equipment during 2011.

Properties, Plant and Equipment. The increase of 8% is due to adaptations and office furniture acquired to open the new business units as well as the real-estate investments for the development of new projects and the acquisition of land.

Current Liabilities

Suppliers. At the close of 4Q11, $1,586 Million MXP were registered under this heading. This figure is 13.7% more than the amount recorded for the same period in 2010. This may largely be explained by the increase of 98 units during the last twelve months.

Bank Credits. The increase of 296.2% is due to the fact that at the close of 4Q11, the corresponding current long-term bank credit was recorded in the amount of $30 Million MXP. During the same period the previous year, the current credit was recorded as $7.6 Million MXP.

Long Term Liabilities

Labor Obligations. At the close of 4Q11, the balance of the account was $46.3 Million MXP, 29.2% more than 2010. The variation is due to the adjustment of the estimate of the liabilities from Labor Obligations, which is calculated annually by an independent actuary based on the projected unit credit method.

Financial Ratios

Total liabilities to total assets. At the close of 4Q11, this proportion equaled 0.22 times vs. the figure obtained in 2010 of 0.20 times.

Total liabilities to net worth. At the close of 4Q11, this ratio was equivalent to 0.29 times vs. the figure obtained in 2010 of 0.26 times.

Current assets to current liabilities. At the close of 4Q11, this proportion equaled 1.88 times vs. the figure obtained in 2010 of 2.69 times.

Current assets minus inventories to current liabilities. At the close of 4Q11, this entry equaled 1.21 times vs. the figure obtained in 2010 of 1.84 times.

Current assets to total liabilities. At the close of 4Q11, this ratio was equivalent to 1.05 times vs. the figure obtained in 2010 of 1.30 times.

SOURCES OF LIQUIDITY AND CAPITAL RESOURCES

In addition to generating a cash flow per operation, the subsidiaries of the Group have taken out revolving credits and letters of credit with the Group in order to cover the working capital needs.

Letters of credit: At the close of the fourth quarter 2011, the subsidiaries had letters of credit in US dollars available to them. However, only 12.1% of the total availability was used.
Revolving Credits and Simple Credits: At the close of the fourth quarter 2011, the subsidiaries had lines of credit in pesos and US dollars available to them. However, only 61.3% of the line of credit in pesos was used.

Policies Governing the Treasury

Each month, bank conciliations are carried out and reviewed by an area other that the one that generated the movements.

Investments are made prior analysis of the cash surplus and purchase and sale conditions as well as maturities thereof, as well as the authorization of the finance departments or areas according to the policies and procedures established. Investment operations are recorded once the funds have been transferred to the selected financial institution; in other words, during the corresponding period. Any interests accrued from the investments are recorded during the period in which they accrue and reviewed against the account statements through bank conciliations.

Financing requests are approved by the authorized attorneys-in-fact and directors and, as the case may be, by the Financing and Planning Committee and/or the Board of Directors, according to the policies and procedures that have been established.

Once the credit is obtained, the loan is recorded in the books, according to the agreements that have been executed. Periodically, interests and payments are recorded, pursuant to the transfers made to financial institutions and are periodically conciliated with the supporting documentation. Compliance with the provisions of the credit agreements is frequently reviewed.

The administration is not authorized to contract financial derivatives. The Finance and Planning Committee is the department in charge of analyzing and, as the case may be, contracting these financial derivatives.

Currency in which the cash is kept and temporary investments

The Company has invested cash and cash equivalents in Mexican pesos and US dollars both in checking accounts as well as in investments in securities, classified as investments for negotiation purposes and available for sale.

Cash and cash equivalents continue to be invested according to the policies established in the strategic plan approved by the Board of Administration and pursuant to the guidelines of the Finance and Planning Committee.

Significant Tax Liabilities or Indebtedness

At the close of 4Q11, the Company is up-to-date with its tax liabilities.

The internal control of the Company focuses on safeguarding the assets, complying with the policies and procedures established, detecting and preventing fraud and generating reliable financial information.

GENERAL INFORMATION

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

Consolidated Balance Sheets
As of December 31, 2011 and 2010

(In Millions of Mexican Pesos)

Concept	2011	2010
Total Assets	**23,518**	**22,731**
Current Assets	5,545	6,043
Investment in Shares	213	213
Property and Equipment - Net	17,172	15,904
Goodwill and Deferred Charges - Net	588	571
Total Liabilities	**5,280**	**4,638**
Current Liabilities	2,942	2,249
Deferred Taxes	1,759	1,791
Employee Benefits	46	35
Long - Term Bank Loans	533	563
Stockholders' Equity	**18,238**	**18,093**

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

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

Concept	2011	2010
Revenue	13,167	11,388
Cost of Sales	8,337	7,185
Gross Revenue	**4,830**	**4,203**
Operating Expenses	3,749	3,139
Operating Income	**1,081**	**1,064**
Other Income and (Expenses) - Net	-36	-37
Net Comprehensive Financing	60	84
Income from Continuing Operations before Income Taxes	**1,105**	**1,111**
Expensive Taxes	247	254
Income from Continuing Operations	858	856
Discontinued Operations	-432	-9
Consolidated Net Income	**426**	**847**
Net Income of Majority Stockholders	-2	-18
Net Income of Minority Stockholders	428	865

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

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

Concepto	2011	2010
Revenue	3,515	3,208
Cost of Sales	2,201	1,968
Gross Revenue	1,314	1,240
Operating Expenses	1,028	913
Operating Income	**287**	**327**
Other Income and (Expenses) - Net	-15	-25
Net Comprehensive Financing	14	32
Income from Continuing Operations before Income Taxes	**286**	**334**
Expensive Taxes	66	107
Income from Continuing Operations	221	227
Discontinued Operations	-432	-1
Consolidated Net Income	**-211**	**226**
Net Income of Majority Stockholders	1	-7
Net Income of Minority Stockholders	-212	233