COMMENTS AND ANALYSIS BY THE ADMINISTRATION ABOUT THE OPERATIONAL RESULTS AND FINANCIAL SITUATION OF THE COMPANY AT THE CLOSE OF THE SECOND QUARTER 2013

(FIGURES IN MILLIONS OF PESOS)

Million MXP: Millions of Pesos
Dollars: American Dollars

RESULTS FOR 2Q13

Total sales during the 2Q13 amounted to $4,501.2 Million MXP, representing an increase of 2.0% with respect to 2Q12; regarding **same-store sales,** there was a decrease of 2.0%, totaling $4,227.7 Million MXP.

Cost of sales recorded during the second quarter of the year was $2,728.9 Million MXP. As percentage on sales it represented 60.6% in 2Q13 compared to 63.0% recorded in the same period during the previous year.

In 2Q13, the **gross revenue** increased by 8.6% with respect to the 2Q12; therefore, at the close of the period, the amount of $1,772.3 Million MXP was recorded, which represents 39% of the gross margin compared to 37% in 2Q12.

Operating Expenses as of the 2Q13 total $1,292.7 Million MXP, which represents a variation of 8.0% compared to those recorded in 2Q12. As a percentage on sales it represents 28.7% levels compared to 27.1% recorded in the same period of the previous year.

Operating Flows defined as operating revenue plus depreciation and amortization summed $563.6 Million MXP in the quarter**,** which is 2.6% more than in the same quarter of the previous year.

The **financial cost** was greater by $3.9 Million MXP, with a variation of 11.7% compared to the financial cost recorded in the same period of 2012. The decrease is due to the fact that in 2013, major payments for bank interests were made.

The **Consolidated Net Revenue for Continuous Operations** was $313.0 Million MXP, recording a 6.6% decreased compared to the 2Q12. This effect is due to a greater tax base for tax payment.

The **Consolidated Net Revenue** in 2Q13 was $382.1 Million MXP, representing a 95.2% increase compared to the consolidated net revenue for the same period in 2012. The increase was generated for the loss recognized for the discontinuation of the Tiendas Super Precio subsidiary in the 2012 results.

RESULTS AS OF 2Q13

Total sales as of 2Q13 summed $9,180.3 Million MXP. This amount represents a 1.8% increase compared to the same period in 2012; regarding same-store sales, there was a 2.3% decrease, totaling $8,612.2 Million MXP.

The **cost of sales** accrued as of the second quarter of the year was $5,645.6 Million MXP. As a percentage on sales it represented 61.5% in 2Q13, compared to 63.2% recorded in the same period of the previous year.

As of the 2Q13, **gross profits** increased by 6.6% compared to 2Q12. As of the close of the period, an amount of $3,534.7 Million MXP was recorded, representing 38.5% of gross margin compared to the 36.8% of gross margin recorded as of 2Q12.

Operating expenses as of 2Q13 was $2,587.1 Million MXP, which represents a variation of 7.2% compared to those recorded as of 2Q12. As a percentage on sales, it represents 28.2% levels compared to 26.8% levels for the same period in the previous year.

Operating Flows, defined as operating revenues plus depreciation and amortization totaled $1,174.9 Million MXP as of June 2013, which is 4.2% more than the previous year.

The **financial cost** account recorded a positive variation of $22.9 Million MXP, which represents 104.8% compared to the same period in 2012. This is due to the fact that in 2013 there was a favorable effect from a smaller foreign exchange loss.

The **Consolidated Net Revenue for Continuous Operations** was $599.1 Million MXP which recorded a decrease of 4.0% compared to the same period in the previous year

The **Consolidated Net Revenue** as of 2Q13 was $668.2 Million MXP, which represents an increase of 96.7% compared to the same period in 2012. This increase was generated for the loss recognized for the discontinuation of the Tiendas Super Precio subsidiary in the 2012 results**.**

Units in Operation. During the second quarter of 2013, a total of 2 Office Depot stores, 6 Restaurantes Toks, 4 Panda Express restaurants, 1 The Home Store unit and 6 Cup Stop units were opened. No units were closed.

With the inclusion of these stores, the total number of units in operation at the close of the second quarter was 406 with a total of 352,594 m^2 of sales floor and 25,166 seats.

Relevant Events. During the April-June 2013 period, Grupo Gigante informed the investing public through the Emisnet System of the Mexican Stock Exchange and Stiv-2 System of the National Banking and Securities Commission, the following relevant events:

- On May 2, 2013, Grupo Gigante made public to the market the Independent Auditors' Report submitted to the Board of Directors and Shareholders, corresponding to the audit of the consolidated financial statements of Grupo Gigante, S.A.B. de C.V. and Subsidiaries, comprising the statements of financial position as of December 31, 2012 and 2011 and as of January 1st, 2011, and the financial statements of comprehensive income and statements of net worth variations and cash flow statements for the years ended December 31, 2012 and 2011, as well as a summary of the material accounting policies and other explanatory notes, by the external auditors of the Company.

- Grupo Gigante announced the acquisition of the remaining 50% of the shareholder tenancy in Office Depot de México. On June 3, these negotiations were closed, and a Stock Purchase and Transaction Agreement, whereby it acquires such relevant part was executed. The transaction was subject to the condition of compliance with the applicable legal provisions, that is, approval by the Shareholders Meeting of Grupo Gigante, S.A.B. de C.V. and the approval by the Federal Competition Commission. The Shareholders Meeting for the relevant approval was called to be held on June 27, 2013, simultaneously to the filing with the competition federal authority.

The acquisition incorporates control and coverage of the territory in Latin America, under the Office Depot brand, having agreed that the transaction will include to be de developer and owner of the stores and the concept in Mexico and the rest of Latin America, except for the Caribbean, as well as the use of the trademark under a trademark license agreement for a term of 15 years. The agreement is automatically renewable for equal periods, without any additional associated cost.

- Therefore, on July 9, having complied with the required approval conditions by the Shareholders Meeting of Grupo Gigante and having obtained the approval by the Federal Competition Commission, Grupo Gigante closed the acquisition of the remaining 50% of its shareholding interest in Office Depot de México. The payment agreed was made to Office Depot Inc. through its subsidiary Office Depot Delaware Overseas Finance No. 1, reiterating that the schedule for payment of the bridge loan will be carried out through several financial activities, including the issuance by Office Depot de México of a 144A bond and Regulations S, of a secondary offering of part of the capital stock of the subsidiary, whether in Mexico, pursuant to the Stock Exchange Law and other applicable provisions and outside of Mexico, pursuant to Rule 144A and the regulations to the securities laws of the United States and/or the negotiation of a long-term loan.

  Finally, in connection with this same transaction, Grupo Gigante informed the public on who participated as its advisors in this process, stating that the financial advisors through which the financing strategy was designed and executed were “Vace Partners, S.C.”, “BBVA Bancomer” and “Credit Suisse”, while for legal matters advise was received from “Jones Day México”, regarding the stock purchase and transaction agreement and the loan agreement for matters applicable in Mexico and from “Cravath, Swaine & Moore, LLP”. (New York) for all matters regarding the agreements pursuant to American law and other documents related with the loans in connection with the transaction.

  The transaction is part of the growth strategy of Grupo Gigante, consolidating its participation in one of the sectors where it currently has a significant presence and it is in line with its executed strategic plan b.

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 (CNBV) and the Mexican Stock Exchange (BMV), as well as through Grupo Gigante’s web page (www.grupogigante.com.mx).

FINANCIAL SITUATION JUNE 2013 VS. DECEMBER 2012

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

Current Assets

Other Current Assets. At the end of the second quarter of 2013, this heading showed a variation of 46.0%, principally due to advance payments.

Long Term Assets

Investments in Associates. This account shows a growth of 207.9% compared to the close of December 2012, mainly caused by the contribution on investments related to the real estate segment and the new pet business.

Other non-current assets. This heading shows an increase of 548.6% compared to the previous year due to the acquisition of system licenses.

Current Liabilities

Suppliers. There is a decrease of 4.9% compared to the close of the 2012 fiscal year due to payments made in 2013 that diminished the liabilities created in 2012.

Short-term Bank Loans. There is a decrease of 20.9% due to the renegotiation, as of the expiration of two bank loans executed in December 2012 converted into a 7-year term, therefore, their presentation in the financial statements is in the long term heading.

The **taxes payable** account shows a decrease of 10.0% due to the diminishment of the taxes provisioned in December 2012, which were paid in the first quarter of 2013.

Long Term Liabilities

Long Term Bank Loans. The 64.1% increase in this account, is due to a bank loan executed on March, with expiration date in 2018 in addition to the renegotiation of two loans with the same banking institution with a 7-year term, which were presented in the short-term heading.

Financial Ratios

Total liabilities to total assets. At the close of 2Q13, this proportion equaled 0.24 times vs. the figure obtained on december 2012 of 0.23 times.

Total liabilities to net worth. At the close of 2Q13, this ratio was equivalent to 0.31 times vs. the figure obtained on december 2012 of 0.30 times.

Current assets to current liabilities. At the close of 2Q13, this proportion equaled 2.69 times vs. the figure obtained on december 2012 of 2.34 times.

Current assets minus inventories to current liabilities. At the close of 2Q13, this entry equaled 1.64 times vs. the figure obtained on december 2012 of 1.40 times.

Current assets to total liabilities. At the close of 2Q13, this ratio was equivalent to 1.40 times vs. the figure obtained on december 2012 of 1.39 times.

SOURCES OF LIQUIDITY AND CAPITAL RESOURCES

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

Letters of credit: At the close of the second quarter 2013, the subsidiaries had letters of credit on US dollars available to them. The percentage used from the total available was 28.8%.

Revolving Credits and Simple Credits. At the close of the second quarter 2013, the subsidiaries had lines of credit in Pesos and US Dollars available to them. However, only 82.7% of the line of credit in Pesos was used and 1.5% of the line of credit in US Dollars.

Policies Governing the Treasury

The banking conciliations are carried out on a monthly basis and are reviewed by a different area than the one that generated the movements.

Investments are made, previous analysis of the cash excess and the purchase, and sale conditions and the expiration of same, as well as the authorization by the finance departments or areas, pursuant to the policies and procedures established. Investment operations are recorded once the fund transfer is made to the selected financial institution, that is, in the period corresponding to it. Interests accrued on the investments are recorded in the period of accrual and are compared with the bank statements through banking conciliations.

Financing requests are approved by the authorized attorneys-in-fact and by the authorized directors, and if applicable, by the Finance and Planning Committee and/or by the Board of Directors, pursuant to the policies and procedures established.

Once the credit is obtained, it is recorded in the loan books, pursuant to the agreements executed. Records for interests and payments made are periodically made, pursuant to the transfers made to the financial institutions and they are conciliated periodically with support documentation. Compliance with the clauses set forth in the executed loan agreements is constantly reviewed.

The management is not authorized to hire derivative financial instruments. The Finance and Planning Committee is the body in charge of analyzing and, if applicable, of approving the hiring of these financial instruments.

Currencies of Cash and Temporary Investments

The Company has cash and cash equivalents invested in Mexican currency and in Dollars, both in checking accounts and on investments in securities; classified as investments with negotiation purposes and available for sale.

The cash and cash equivalents will continue to be invested pursuant to the policies established with basis on the strategic plan approved by the Board of Directors and pursuant to the guidelines of the Finance and Planning Committee.

Material Tax Credits or Liabilities

At the close of 2Q13, the Company is up to date with its tax obligations.

The internal controls of the Company are focused on the safeguard of assets, on the compliance of the policies and procedures established, on the detection and prevention of fraud and on the generation of reliable financial information.

Financial Analyst

“IXE Casa de Bolsa” is following up and covering the analysis of the Company’s securities.

General information

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GRUPO GIGANTE S.A.B. DE C.V.

Consolidated Balance Sheets
As of june 30, 2013 and december 2012
(In Millions of Mexican Pesos)

Concept	2013	2012
Total Assets	**29,550.5**	**28,467.8**
Current Assets	9,816.6	9,268.4
Investment in Shares	125.2	40.7
Property and Equipment - Net and Investment Properties	19,184.6	18,924.8
Uncollected accrued income	48.4	45.2
Goodwill and other intangible assets - Net	375.7	188.7
Total Liabilities	**7,021.4**	**6,651.2**
Current Liabilities	3,650.6	3,957.2
Long - Term Bank Loans	1,129.2	688.2
Deferred Taxes	1,957.4	1,733.6
Others	195.9	180.0
Employee Benefits	88.4	92.2
Stockholders' Equity	**22,529.1**	**21,816.7**

GRUPO GIGANTE S.A.B. DE C.V.

Consolidated Statements of Income
From January 1 to june 30, 2013 and 2012
(In Millions of Mexican Pesos)

Concept	2013	2012
Revenue	9,180.3	9,015.1
Cost of Sales	5,645.6	5,700.5
Gross Revenue	**3,534.7**	**3,314.6**
Operating Expenses	2,587.1	2,412.3
Operating Income	**947.6**	**902.3**
Financial cost	-1.1	21.8
Result in associates	1.7	0.0
Income from Continuing Operations before Income Taxes	**947.0**	**880.5**
Expensive Taxes	347.9	256.1
Income from Continuing Operations	**599.1**	**624.4**
Discontinued Operations	-69.1	284.6
Consolidated Net Income	**668.2**	**339.8**
Equity attributable to owners of the Company	493.6	169.9
Non-controlling interest	174.6	169.9

GRUPO GIGANTE S.A.B. DE C.V.

Consolidated Statements of Income
From april 1 to june 30, 2013 and 2012
(In Millions of Mexican Pesos)

Concepto	2013	2012
Revenue	4,501.2	4,413.7
Cost of Sales	2,728.9	2,781.3
Gross Revenue	**1,772.3**	**1,632.4**
Operating Expenses	1,292.7	1,196.7
Operating Income	**479.6**	**435.8**
Financial cost	-29.6	-33.5
Result in associates	0.8	0.0
Income from Continuing Operations before Income Taxes	**508.3**	**469.2**
Expensive Taxes	195.4	134.2
Income from Continuing Operations	**313.0**	**335.0**
Discontinued Operations	-69.1	139.3
Consolidated Net Income	**382.1**	**195.7**
Equity attributable to owners of the Company	296.6	133.0
Non-controlling interest	85.5	62.8