

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 1 - GAAP Earnings for the 16 weeks ended June 14, 2003 and June 15, 2002
(Unaudited)
(In thousands, except share amounts and store data)

| | 16 Weeks Ended | |
|---|----------------|---------------|
| | June 14, 2003 | June 15, 2002 |
| Sales ⁽¹⁾ | \$ 3,203,830 | \$ 3,093,776 |
| Cost of merchandise sold ⁽²⁾ | (2,324,661) | (2,211,961) |
| Gross margin | 879,169 | 881,815 |
| Store operating, general and administrative expense ⁽²⁾⁽³⁾ | (891,628) | (856,601) |
| (Loss) income from operations | (12,459) | 25,214 |
| Interest expense | (24,884) | (26,752) |
| Interest income | 2,139 | 1,959 |
| (Loss) income from continuing operations before income taxes ⁽²⁾ | (35,204) | 421 |
| Benefit from income taxes | 14,862 | 368 |
| (Loss) income from continuing operations ⁽²⁾ | (20,342) | 789 |
| Discontinued operations: ⁽⁴⁾ | | |
| (Loss) income from operations of discontinued businesses, net of tax | (11,459) | 1,086 |
| Gain on disposal of discontinued operations, net of tax | 52,081 | - |
| Income from discontinued operations | 40,622 | 1,086 |
| Net income | \$ 20,280 | \$ 1,875 |
| Net (loss) income per share - basic: ⁽²⁾ | | |
| Continuing operations | \$ (0.53) | \$ 0.02 |
| Discontinued operations | 1.06 | 0.03 |
| Net income per share - basic | \$ 0.53 | \$ 0.05 |
| Net (loss) income per share - diluted: ⁽²⁾ | | |
| Continuing operations | \$ (0.53) | \$ 0.02 |
| Discontinued operations | 1.05 | 0.03 |
| Net income per share - diluted | \$ 0.52 | \$ 0.05 |
| Weighted average common shares outstanding: | | |
| Basic | 38,515,806 | 38,450,102 |
| Diluted | 38,701,217 | 39,462,250 |
| Gross margin rate | 27.44% | 28.50% |
| Store operating, general and administrative expense rate | 27.83% | 27.69% |
| Number of stores operated at end of quarter | 667 | 692 |
| Number of franchised stores served at end of quarter | 64 | 68 |

(1) Included in sales for the 16 weeks ended June 14, 2003 and June 15, 2002, were wholesale sales to franchisees of \$250.5 million and \$221.2 million, respectively.

(2) Cost of merchandise sold and store operating, general and administrative expense for the 16 weeks ended June 15, 2002 include amounts related to the Company's asset disposition initiatives. These amounts are detailed on Schedule 2 attached.

(3) During the 16 weeks ended June 15, 2002, the Company purchased in the open market \$38 million of its 7.75% Notes due April 15, 2007. As a result, the Company recognized a pretax loss of \$0.7 million (\$0.4 million net of tax benefit of \$0.3 million) during the 16 weeks ended June 15, 2002.

(4) In February and March 2003, the Company decided to sell its operations located in Northern New England, Madison and Milwaukee, Wisconsin as well as its Eight O'Clock Coffee business. In April 2003, the sale of the Company's stores in Northern New England and Madison, Wisconsin, were completed, generating proceeds of \$137.6 million and resulting in a gain of \$81.4 million (\$52.1 million after tax).

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 2 - Adjustments to GAAP Earnings for the 16 Weeks Ended June 15, 2002
(Unaudited)
(In thousands, except share amounts and store data)

| | 16 Weeks Ended June 15, 2002 | | | |
|--|------------------------------------|--|---|----------------------|
| | Asset disposition initiative | Loss on early extinguishment of debt | Gain on proceeds from the demutualization of a mutual insurance company | Total adjustments |
| Sales | \$ - | \$ - | \$ - | \$ - |
| Cost of merchandise sold | (860) | - | - | (860) |
| Gross margin | (860) | - | - | (860) |
| Store operating, general and administrative expense | (6,103) | (684) | 1,717 | (5,070) |
| (Loss) income from operations | (6,963) | (684) | 1,717 | (5,930) |
| Interest expense | - | - | - | - |
| Interest income | - | - | - | - |
| (Loss) income from continuing operations before income taxes | (6,963) | (684) | 1,717 | (5,930) |
| Benefit from (provision for) income taxes | 2,869 | 287 | (721) | 2,435 |
| (Loss) income from continuing operations | (4,094) | (397) | 996 | (3,495) |
| Discontinued operations: | | | | |
| (Loss) income from operations of discontinued businesses, net of tax | - | - | - | - |
| Gain on disposal of discontinued operations, net of tax | - | - | - | - |
| Income from discontinued operations | - | - | - | - |
| Net (loss) income | <u>\$ (4,094)</u> | <u>\$ (397)</u> | <u>\$ 996</u> | <u>\$ (3,495)</u> |
| Net (loss) income per share - basic: | | | | |
| Continuing operations | \$ (0.11) | \$ (0.01) | \$ 0.03 | \$ (0.09) |
| Discontinued operations | - | - | - | - |
| Net (loss) income per share - basic | <u>\$ (0.11)</u> | <u>\$ (0.01)</u> | <u>\$ 0.03</u> | <u>\$ (0.09)</u> |
| Net (loss) income per share - diluted: | | | | |
| Continuing operations | \$ (0.10) | \$ (0.01) | \$ 0.03 | \$ (0.09) |
| Discontinued operations | - | - | - | - |
| Net (loss) income per share - diluted | <u>\$ (0.10)</u> | <u>\$ (0.01)</u> | <u>\$ 0.03</u> | <u>\$ (0.09)</u> |
| Weighted average common shares outstanding: | | | | |
| Basic | <u>38,450,102</u> | <u>38,450,102</u> | <u>38,450,102</u> | <u>38,450,102</u> |
| Diluted | <u>39,462,250</u> | <u>39,462,250</u> | <u>39,462,250</u> | <u>39,462,250</u> |

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 3 - Adjustments to GAAP Earnings for the 16 Weeks Ended June 14, 2003 and June 15, 2002
(Unaudited)
(In thousands, except share amounts and store data)

| | 16 Weeks Ended June 14, 2003 | | | 16 Weeks Ended June 15, 2002 | | |
|--|---------------------------------|--|------------------|---------------------------------|--|-------------------|
| | GAAP | Adjustments to be (added) subtracted | Earnings | GAAP | Adjustments to be (added) subtracted | Earnings |
| | Earnings | (See Schedule 2) | as Adjusted | Earnings | (See Schedule 2) | as Adjusted |
| Sales | \$ 3,203,830 | \$ - | \$ 3,203,830 | \$ 3,093,776 | \$ - | \$ 3,093,776 |
| Cost of merchandise sold | (2,324,661) | - | (2,324,661) | (2,211,961) | (860) | (2,211,101) |
| Gross margin | 879,169 | - | 879,169 | 881,815 | (860) | 882,675 |
| Store operating, general and administrative expense | (891,628) | - | (891,628) | (856,601) | (5,070) | (851,531) |
| (Loss) income from operations | (12,459) | - | (12,459) | 25,214 | (5,930) | 31,144 |
| Interest expense | (24,884) | - | (24,884) | (26,752) | - | (26,752) |
| Interest income | 2,139 | - | 2,139 | 1,959 | - | 1,959 |
| (Loss) income from continuing operations before income taxes | (35,204) | - | (35,204) | 421 | (5,930) | 6,351 |
| Benefit from (provision for) income taxes | 14,862 | - | 14,862 | 368 | 2,435 | (2,067) |
| (Loss) income from continuing operations | (20,342) | - | (20,342) | 789 | (3,495) | 4,284 |
| Discontinued operations: | | | | | | |
| (Loss) income from operations of discontinued businesses, net of tax | (11,459) | - | (11,459) | 1,086 | - | 1,086 |
| Gain on disposal of discontinued operations, net of tax | 52,081 | - | 52,081 | - | - | - |
| Income from discontinued operations | 40,622 | - | 40,622 | 1,086 | - | 1,086 |
| Net income (loss) | <u>\$ 20,280</u> | <u>\$ -</u> | <u>\$ 20,280</u> | <u>\$ 1,875</u> | <u>\$ (3,495)</u> | <u>\$ 5,370</u> |
| Net (loss) income per share - basic: | | | | | | |
| Continuing operations | \$ (0.53) | \$ - | \$ (0.53) | \$ 0.02 | \$ (0.09) | \$ 0.11 |
| Discontinued operations | 1.06 | - | 1.06 | 0.03 | - | 0.03 |
| Net income (loss) per share - basic | <u>\$ 0.53</u> | <u>\$ -</u> | <u>\$ 0.53</u> | <u>\$ 0.05</u> | <u>\$ (0.09)</u> | <u>\$ 0.14</u> |
| Net (loss) income per share - diluted: | | | | | | |
| Continuing operations | \$ (0.53) | \$ - | \$ (0.53) | \$ 0.02 | \$ (0.09) | \$ 0.11 |
| Discontinued operations | 1.05 | - | 1.05 | 0.03 | - | 0.03 |
| Net income (loss) per share - diluted | <u>\$ 0.52</u> | <u>\$ -</u> | <u>\$ 0.52</u> | <u>\$ 0.05</u> | <u>\$ (0.09)</u> | <u>\$ 0.14</u> |
| Weighted average common shares outstanding: | | | | | | |
| Basic | 38,515,806 | 38,515,806 | 38,515,806 | 38,450,102 | 38,450,102 | 38,450,102 |
| Diluted | 38,701,217 | 38,701,217 | 38,701,217 | 39,462,250 | 39,462,250 | 39,462,250 |
| Gross margin rate | <u>27.44%</u> | | <u>27.44%</u> | <u>28.50%</u> | | <u>28.53%</u> |
| Store operating, general and administrative expense rate | <u>27.83%</u> | | <u>27.83%</u> | <u>27.69%</u> | | <u>27.52%</u> |
| Depreciation and amortization | <u>\$ 84,096</u> | | <u>\$ 84,096</u> | <u>\$ 72,551</u> | | <u>\$ 72,551</u> |
| <i>Reconciliation of GAAP cash flow measure to adjusted EBITDA:</i> | | | | | | |
| Net cash provided by operating activities | | | \$ 5,990 | | | \$ 86,792 |
| Net interest expense | | | 22,745 | | | 24,793 |
| Adjustments from GAAP earnings (see Schedule 2) | | | - | | | 3,495 |
| Deferred income tax (provision) benefit | | | 29,213 | | | (23,356) |
| Working capital changes | | | 16,380 | | | (18,203) |
| Other, net | | | (2,691) | | | 30,174 |
| Adjusted EBITDA | | | <u>\$ 71,637</u> | | | <u>\$ 103,695</u> |

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 4 - Condensed Balance Sheet Data
(Unaudited)
(In millions, except per share and store data)

| | <u>June 14, 2003</u> | <u>February 22, 2003</u> |
|--|-----------------------|--------------------------|
| Cash and short-term investments | \$163 | \$199 |
| Other current assets | <u>940</u> | <u>901</u> |
| Total current assets | 1,103 | 1,100 |
| Property-net | 1,585 | 1,609 |
| Other assets | <u>182</u> | <u>176</u> |
| Total assets | <u><u>\$2,870</u></u> | <u><u>\$2,885</u></u> |
| Total current liabilities | \$1,163 | \$1,091 |
| Total non-current liabilities | 1,149 | 1,296 |
| Stockholders' equity | <u>558</u> | <u>498</u> |
| Total liabilities and stockholders' equity | <u><u>\$2,870</u></u> | <u><u>\$2,885</u></u> |

Other Statistical Data

| | | |
|--|-----------|-----------|
| Total Debt and Capital Leases | \$792 | \$926 |
| Temporary Investments | <u>47</u> | <u>78</u> |
| Net Debt | \$745 | \$848 |
| Total Retail Square Footage (in thousands) | 25,819 | 26,818 |
| Book Value Per Share | \$14.48 | \$12.93 |

| | <u>For the 16 weeks ended June 14, 2003</u> | <u>For the 16 weeks ended June 15, 2002</u> |
|----------------------|---|---|
| Capital Expenditures | \$57 | \$88 |