

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 1 - GAAP Earnings for the 12 and 28 weeks ended September 6, 2003 and September 7, 2002
(Unaudited)
(In thousands, except share amounts and store data)

	12 Weeks Ended		28 Weeks Ended	
	September 6, 2003	September 7, 2002	September 6, 2003	September 7, 2002
Sales ⁽¹⁾	\$ 2,443,700	\$ 2,327,182	\$ 5,647,530	\$ 5,420,958
Cost of merchandise sold ⁽²⁾	(1,784,774)	(1,667,850)	(4,109,435)	(3,879,811)
Gross margin	658,926	659,332	1,538,095	1,541,147
Store operating, general and administrative expense ⁽²⁾⁽³⁾	(679,839)	(666,939)	(1,571,467)	(1,523,540)
(Loss) income from operations	(20,913)	(7,607)	(33,372)	17,607
Interest expense	(17,945)	(19,640)	(42,829)	(46,392)
Interest income	1,773	3,105	3,912	5,064
Loss from continuing operations before income taxes ⁽²⁾	(37,085)	(24,142)	(72,289)	(23,721)
Provision for income taxes ⁽⁴⁾	(20,010)	(123,119)	(5,148)	(122,751)
Loss from continuing operations ⁽²⁾	(57,095)	(147,261)	(77,437)	(146,472)
Discontinued operations: ⁽⁵⁾				
(Loss) income from operations of discontinued businesses, net of tax	(21,750)	2,577	(33,209)	3,663
(Loss) gain on disposal of discontinued operations, net of tax	(4,845)	-	47,236	-
(Loss) income from discontinued operations	(26,595)	2,577	14,027	3,663
Net loss	<u>\$ (83,690)</u>	<u>\$ (144,684)</u>	<u>\$ (63,410)</u>	<u>\$ (142,809)</u>
Net (loss) income per share - basic and diluted: ⁽²⁾				
Continuing operations	\$ (1.48)	\$ (3.82)	\$ (2.01)	\$ (3.81)
Discontinued operations	(0.69)	0.06	0.36	0.10
Net loss per share - basic and diluted	<u>\$ (2.17)</u>	<u>\$ (3.76)</u>	<u>\$ (1.65)</u>	<u>\$ (3.71)</u>
Weighted average common shares outstanding - basic	<u>38,516,670</u>	<u>38,512,439</u>	<u>38,516,176</u>	<u>38,476,818</u>
Weighted average common shares outstanding - diluted	<u>38,516,670</u>	<u>38,512,439</u>	<u>38,516,176</u>	<u>38,476,818</u>
Gross margin rate	26.96%	28.33%	27.23%	28.43%
Store operating, general and administrative expense rate	27.82%	28.66%	27.83%	28.10%
Number of stores operated at end of quarter	<u>643</u>	<u>692</u>	<u>643</u>	<u>692</u>
Number of franchised stores served at end of quarter	<u>64</u>	<u>66</u>	<u>64</u>	<u>66</u>

- (1) Included in sales for the 12 and 28 weeks ended September 6, 2003 were wholesale sales to franchisees of \$177.6 million and \$428.2 million, respectively, compared to \$160.1 million and \$381.3 million, respectively, for the 12 and 28 weeks ended September 7, 2002.
- (2) Cost of merchandise sold and store operating, general and administrative expense for the 12 and 28 week periods ended September 7, 2002 and store operating, general and administrative expense for the 12 and 28 weeks ended September 6, 2003 include amounts related to the Company's asset disposition initiative announced during the third quarter of fiscal 2001. These amounts are detailed on Schedules 2 and 3 attached.
- (3) During the 28 weeks ended September 7, 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 28 weeks ended September 7, 2002.
- (4) Provision for income taxes for the 12 and 28 week periods ended September 7, 2002 includes a charge to record a valuation allowance for the Company's entire U.S. deferred tax asset in the amount of \$134 million as a result of an assessment of the likelihood of future recognition of such deferred tax assets. This valuation allowance consisted of \$115 million of accumulated deferred tax assets related to periods prior to the second quarter of fiscal 2002, and \$19 million related to the second quarter of fiscal 2002.
- (5) 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 (\$47.2 million after tax).

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 2 - Adjustments to GAAP Earnings for the 12 Weeks Ended September 6, 2003 and September 7, 2002
(Unaudited)
(In thousands, except share amounts and store data)

	12 Weeks Ended September 6, 2003		12 Weeks Ended September 7, 2002		
	Asset Disposition Initiative	Total adjustments	Asset Disposition Initiative	Deferred Tax Asset Valuation Allowance	Total adjustments
Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of merchandise sold	-	-	(160)	-	(160)
Gross margin	-	-	(160)	-	(160)
Store operating, general and administrative expense	5,230	5,230	(1,143)	-	(1,143)
Income (loss) from operations	5,230	5,230	(1,303)	-	(1,303)
Interest expense	-	-	-	-	-
Interest income	-	-	-	-	-
Income (loss) from continuing operations before income taxes	5,230	5,230	(1,303)	-	(1,303)
Benefit from (provision for) income taxes	-	-	527	(133,962)	(133,435)
Income (loss) from continuing operations	5,230	5,230	(776)	(133,962)	(134,738)
Discontinued operations:					
(Loss) income from operations of discontinued businesses, net of tax	-	-	-	-	-
(Loss) gain on disposal of discontinued operations, net of tax	-	-	-	-	-
(Loss) income from discontinued operations	-	-	-	-	-
Net income (loss)	<u>\$ 5,230</u>	<u>\$ 5,230</u>	<u>\$ (776)</u>	<u>\$ (133,962)</u>	<u>\$ (134,738)</u>
Net income (loss) per share - basic and diluted:					
Continuing operations	\$ 0.14	\$ 0.14	\$ (0.02)	\$ (3.48)	\$ (3.50)
Discontinued operations	-	-	-	-	-
Net income (loss) per share - basic and diluted	<u>\$ 0.14</u>	<u>\$ 0.14</u>	<u>\$ (0.02)</u>	<u>\$ (3.48)</u>	<u>\$ (3.50)</u>
Weighted average common shares outstanding - basic	<u>38,516,670</u>	<u>38,516,670</u>	<u>38,512,439</u>	<u>38,512,439</u>	<u>38,512,439</u>
Weighted average common shares outstanding - diluted	<u>38,516,670</u>	<u>38,516,670</u>	<u>38,512,439</u>	<u>38,512,439</u>	<u>38,512,439</u>

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 3 - Adjustments to GAAP Earnings for the 28 Weeks Ended September 6, 2003 and September 7, 2002
(Unaudited)
(In thousands, except share amounts and store data)

	28 Weeks Ended September 6, 2003		28 Weeks Ended September 7, 2002				
	Asset Disposition Initiative	Total adjustments	Asset Disposition Initiative	Loss on early extinguishment of debt	Deferred Tax Asset Valuation Allowance	Gain on proceeds from the demutualization of a mutual insurance company	Total adjustments
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of merchandise sold	-	-	(1,020)	-	-	-	(1,020)
Gross margin	-	-	(1,020)	-	-	-	(1,020)
Store operating, general and administrative expense	5,230	5,230	(7,246)	(684)	-	1,717	(6,213)
Income (loss) from operations	5,230	5,230	(8,266)	(684)	-	1,717	(7,233)
Interest expense	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Income (loss) from continuing operations before income taxes	5,230	5,230	(8,266)	(684)	-	1,717	(7,233)
Benefit from (provision for) income taxes	-	-	3,396	287	(133,962)	(721)	(131,000)
Income (loss) from continuing operations	5,230	5,230	(4,870)	(397)	(133,962)	996	(138,233)
Discontinued operations:							
(Loss) income from operations of discontinued businesses, net of tax	-	-	-	-	-	-	-
(Loss) gain on disposal of discontinued operations, net of tax	-	-	-	-	-	-	-
(Loss) income from discontinued operations	-	-	-	-	-	-	-
Net income (loss)	\$ 5,230	\$ 5,230	\$ (4,870)	\$ (397)	\$ (133,962)	\$ 996	\$ (138,233)
Net income (loss) per share - basic and diluted:							
Continuing operations	\$ 0.14	\$ 0.14	\$ (0.13)	\$ (0.01)	\$ (3.48)	\$ 0.03	\$ (3.59)
Discontinued operations	-	-	-	-	-	-	-
Net income (loss) per share - basic and diluted	\$ 0.14	\$ 0.14	\$ (0.13)	\$ (0.01)	\$ (3.48)	\$ 0.03	\$ (3.59)
Weighted average common shares outstanding - basic	38,516,176	38,516,176	38,476,818	38,476,818	38,476,818	38,476,818	38,476,818
Weighted average common shares outstanding - diluted	38,516,176	38,516,176	38,476,818	38,476,818	38,476,818	38,476,818	38,476,818

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 4 - Adjustments to GAAP Earnings for the 12 Weeks Ended September 6, 2003 and September 7, 2002
(Unaudited)
(In thousands, except share amounts and store data)

	12 Weeks Ended September 6, 2003			12 Weeks Ended September 7, 2002		
	GAAP Earnings	Adjustments to be (added) subtracted (See Schedule 2)	Earnings as Adjusted	GAAP Earnings	Adjustments to be (added) subtracted (See Schedule 2)	Earnings as Adjusted
Sales	\$ 2,443,700	\$ -	\$ 2,443,700	\$ 2,327,182	\$ -	\$ 2,327,182
Cost of merchandise sold	(1,784,774)	-	(1,784,774)	(1,667,850)	(160)	(1,667,690)
Gross margin	658,926	-	658,926	659,332	(160)	659,492
Store operating, general and administrative expense	(679,839)	5,230	(685,069)	(666,939)	(1,143)	(665,796)
(Loss) income from operations	(20,913)	5,230	(26,143)	(7,607)	(1,303)	(6,304)
Interest expense	(17,945)	-	(17,945)	(19,640)	-	(19,640)
Interest income	1,773	-	1,773	3,105	-	3,105
(Loss) income from continuing operations before income taxes	(37,085)	5,230	(42,315)	(24,142)	(1,303)	(22,839)
(Provision for) benefit from income taxes	(20,010)	-	(20,010)	(123,119)	(133,435)	10,316
(Loss) income from continuing operations	(57,095)	5,230	(62,325)	(147,261)	(134,738)	(12,523)
Discontinued operations:						
(Loss) income from operations of discontinued businesses, net of tax	(21,750)	-	(21,750)	2,577	-	2,577
Loss on disposal of discontinued operations, net of tax	(4,845)	-	(4,845)	-	-	-
(Loss) income from discontinued operations	(26,595)	-	(26,595)	2,577	-	2,577
Net (loss) income	<u>\$ (83,690)</u>	<u>\$ 5,230</u>	<u>\$ (88,920)</u>	<u>\$ (144,684)</u>	<u>\$ (134,738)</u>	<u>\$ (9,946)</u>
Net (loss) income per share - basic and diluted:						
Continuing operations	\$ (1.48)	\$ 0.14	\$ (1.62)	\$ (3.82)	\$ (3.50)	\$ (0.33)
Discontinued operations	(0.69)	-	(0.69)	0.06	-	0.06
Net (loss) income per share - basic and diluted	<u>\$ (2.17)</u>	<u>\$ 0.14</u>	<u>\$ (2.31)</u>	<u>\$ (3.76)</u>	<u>\$ (3.50)</u>	<u>\$ (0.26)</u>
Weighted average common shares outstanding - basic	<u>38,516,670</u>	<u>38,516,670</u>	<u>38,516,670</u>	<u>38,512,439</u>	<u>38,512,439</u>	<u>38,512,439</u>
Weighted average common shares outstanding - diluted	<u>38,516,670</u>	<u>38,516,670</u>	<u>38,516,670</u>	<u>38,512,439</u>	<u>38,512,439</u>	<u>38,512,439</u>
Gross margin rate	<u>26.96%</u>		<u>26.96%</u>	<u>28.33%</u>		<u>28.34%</u>
Store operating, general and administrative expense rate	<u>27.82%</u>		<u>28.03%</u>	<u>28.66%</u>		<u>28.61%</u>
Depreciation and amortization	<u>\$ 61,596</u>		<u>\$ 61,596</u>	<u>\$ 58,740</u>		<u>\$ 58,740</u>
<i>Reconciliation of GAAP cash flow measure to adjusted EBITDA:</i>						
Net cash provided by operating activities		\$ 16,790			\$ (7,262)	
Net interest expense		16,172			16,535	
Adjustments from GAAP earnings (see Schedule 2)		(5,230)			134,738	
Deferred income tax (provision) benefit		(23,717)			(123,353)	
Working capital changes		(24,460)			32,964	
Other non-current liabilities		32,961			16,826	
Other, net		22,937			(18,012)	
Adjusted EBITDA		<u>\$ 35,453</u>			<u>\$ 52,436</u>	

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 5 - Adjustments to GAAP Earnings for the 28 Weeks Ended September 6, 2003 and September 7, 2002
(Unaudited)
(In thousands, except share amounts and store data)

	28 Weeks Ended September 6, 2003			28 Weeks Ended September 7, 2002		
	GAAP Earnings	Adjustments to be (added) subtracted (See Schedule 3)	Earnings as Adjusted	GAAP Earnings	Adjustments to be (added) subtracted (See Schedule 3)	Earnings as Adjusted
	Sales	\$ 5,647,530	\$ -	\$ 5,647,530	\$ 5,420,958	\$ -
Cost of merchandise sold	(4,109,435)	-	(4,109,435)	(3,879,811)	(1,020)	(3,878,791)
Gross margin	1,538,095	-	1,538,095	1,541,147	(1,020)	1,542,167
Store operating, general and administrative expense	(1,571,467)	5,230	(1,576,697)	(1,523,540)	(6,213)	(1,517,327)
(Loss) income from operations	(33,372)	5,230	(38,602)	17,607	(7,233)	24,840
Interest expense	(42,829)	-	(42,829)	(46,392)	-	(46,392)
Interest income	3,912	-	3,912	5,064	-	5,064
(Loss) income from continuing operations before income taxes	(72,289)	5,230	(77,519)	(23,721)	(7,233)	(16,488)
(Provision for) benefit from income taxes	(5,148)	-	(5,148)	(122,751)	(131,000)	8,249
(Loss) income from continuing operations	(77,437)	5,230	(82,667)	(146,472)	(138,233)	(8,239)
Discontinued operations:						
(Loss) income from operations of discontinued businesses, net of tax	(33,209)	-	(33,209)	3,663	-	3,663
Gain on disposal of discontinued operations, net of tax	47,236	-	47,236	-	-	-
Income from discontinued operations	14,027	-	14,027	3,663	-	3,663
Net (loss) income	<u>\$ (63,410)</u>	<u>\$ 5,230</u>	<u>\$ (68,640)</u>	<u>\$ (142,809)</u>	<u>\$ (138,233)</u>	<u>\$ (4,576)</u>
Net (loss) income per share - basic and diluted:						
Continuing operations	\$ (2.01)	\$ 0.14	\$ (2.15)	\$ (3.81)	\$ (3.59)	\$ (0.22)
Discontinued operations	0.36	-	0.36	0.10	-	0.10
Net (loss) income per share - basic and diluted	<u>\$ (1.65)</u>	<u>\$ 0.14</u>	<u>\$ (1.79)</u>	<u>\$ (3.71)</u>	<u>\$ (3.59)</u>	<u>\$ (0.12)</u>
Weighted average common shares outstanding - basic	<u>38,516,176</u>	<u>38,516,176</u>	<u>38,516,176</u>	<u>38,476,818</u>	<u>38,476,818</u>	<u>38,476,818</u>
Weighted average common shares outstanding - diluted	<u>38,516,176</u>	<u>38,516,176</u>	<u>38,516,176</u>	<u>38,476,818</u>	<u>38,476,818</u>	<u>38,476,818</u>
Gross margin rate	<u>27.23%</u>		<u>27.23%</u>	<u>28.43%</u>		<u>28.45%</u>
Store operating, general and administrative expense rate	<u>27.83%</u>		<u>27.92%</u>	<u>28.10%</u>		<u>27.99%</u>
Depreciation and amortization	<u>\$ 145,692</u>		<u>\$ 145,692</u>	<u>\$ 131,291</u>		<u>\$ 131,291</u>
<i>Reconciliation of GAAP cash flow measure to adjusted EBITDA:</i>						
Net cash provided by operating activities		\$ 22,780			\$ 79,530	
Net interest expense		38,917			41,328	
Adjustments from GAAP earnings (see Schedule 3)		(5,230)			138,233	
Deferred income tax benefit (provision)		5,496			(146,709)	
Working capital changes		(8,080)			14,761	
Other non-current liabilities		47,921			54,865	
Other, net		5,286			(25,877)	
Adjusted EBITDA		<u>\$ 107,090</u>			<u>\$ 156,131</u>	

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 6 - Condensed Balance Sheet Data
(Unaudited)
(In millions, except per share and store data)

	<u>September 6, 2003</u>	<u>February 22, 2003</u>
Cash and short-term investments	\$183	\$199
Other current assets	<u>920</u>	<u>901</u>
Total current assets	1,103	1,100
Property-net	1,531	1,609
Other assets	<u>170</u>	<u>176</u>
Total assets	<u><u>\$2,804</u></u>	<u><u>\$2,885</u></u>
Total current liabilities	\$1,186	\$1,091
Total non-current liabilities	1,156	1,296
Stockholders' equity	<u>462</u>	<u>498</u>
Total liabilities and stockholders' equity	<u><u>\$2,804</u></u>	<u><u>\$2,885</u></u>

Other Statistical Data

Total Debt and Capital Leases	\$803	\$926
Temporary Investments	<u>57</u>	<u>78</u>
Net Debt	\$746	\$848
Total Retail Square Footage (in thousands)	25,025	26,818
Book Value Per Share	\$12.01	\$12.93

	<u>For the 28 weeks ended September 6, 2003</u>	<u>For the 28 weeks ended September 7, 2002</u>
Capital Expenditures	\$76	\$134