

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 1 - GAAP Earnings for the 12 and 28 weeks ended September 11, 2004 and September 6, 2003
(Unaudited)
(In thousands, except share amounts and store data)

	12 Weeks Ended		28 Weeks Ended	
	September 11, 2004	September 6, 2003 <i>As Restated</i> ⁽³⁾	September 11, 2004	September 6, 2003 <i>As Restated</i> ⁽³⁾
Sales ⁽¹⁾	\$ 2,490,559	\$ 2,464,758	\$ 5,770,858	\$ 5,693,281
Cost of merchandise sold	(1,795,046)	(1,773,689)	(4,155,349)	(4,079,038)
Gross margin	695,513	691,069	1,615,509	1,614,243
Store operating, general and administrative expense	(740,021)	(711,111)	(1,668,637)	(1,644,895)
Loss from operations	(44,508)	(20,042)	(53,128)	(30,652)
Interest expense	(22,078)	(17,945)	(48,928)	(42,829)
Interest income	768	574	1,609	1,354
Minority interest in earnings of consolidated franchisees	(342)	446	(1,718)	172
Loss from continuing operations before income taxes	(66,160)	(36,967)	(102,165)	(71,955)
Benefit from (provision for) income taxes	1,614	(20,125)	(3,844)	(5,767)
Loss from continuing operations	(64,546)	(57,092)	(106,009)	(77,722)
Discontinued operations: ⁽²⁾				
Income (loss) from operations of discontinued businesses, net of tax	344	(19,684)	(1,039)	(29,962)
(Loss) gain on disposal of discontinued operations, net of tax	-	(6,911)	-	43,989
Income (loss) from discontinued operations	344	(26,595)	(1,039)	14,027
Cumulative effect of change in accounting principle - FIN46R, net of tax	-	-	-	(8,047)
Net loss	<u>\$ (64,202)</u>	<u>\$ (83,687)</u>	<u>\$ (107,048)</u>	<u>\$ (71,742)</u>
Net (loss) income per share - basic and diluted:				
Continuing operations	\$ (1.68)	\$ (1.48)	\$ (2.75)	\$ (2.01)
Discontinued operations	0.01	(0.69)	(0.03)	0.36
Cumulative effect of change in accounting principle - FIN46R	-	-	-	(0.21)
Net loss per share - basic and diluted	<u>\$ (1.67)</u>	<u>\$ (2.17)</u>	<u>\$ (2.78)</u>	<u>\$ (1.86)</u>
Weighted average common shares outstanding - basic	<u>38,521,685</u>	<u>38,516,670</u>	<u>38,520,732</u>	<u>38,516,176</u>
Weighted average common shares outstanding - diluted	<u>38,521,685</u>	<u>38,516,670</u>	<u>38,520,732</u>	<u>38,516,176</u>
Gross margin rate	27.93%	28.04%	27.99%	28.35%
Store operating, general and administrative expense rate	29.71%	28.85%	28.91%	28.89%
Depreciation and amortization	<u>\$ 62,397</u>	<u>\$ 63,003</u>	<u>\$ 143,519</u>	<u>\$ 148,780</u>
<i>Reconciliation of GAAP cash flow measure to EBITDA:</i>				
Net cash provided by operating activities	\$ 14,851	\$ 18,142	\$ 51,939	\$ 20,312
Net interest expense	21,310	17,371	47,319	41,475
Deferred income taxes	3,248	(10,975)	2,236	(4,661)
Working capital changes	(24,008)	(31,204)	(32,016)	(27,173)
Other non-current liabilities	(6,506)	5,891	6,514	21,720
Other, net	8,994	43,736	14,399	66,455
EBITDA	<u>\$ 17,889</u>	<u>\$ 42,961</u>	<u>\$ 90,391</u>	<u>\$ 118,128</u>
Number of stores operated at end of quarter	<u>630</u>	<u>643</u>	<u>630</u>	<u>643</u>
Number of franchised stores served at end of quarter	<u>65</u>	<u>64</u>	<u>65</u>	<u>64</u>

(1) Included in sales for the 12 and 28 weeks ended September 11, 2004 were franchisee sales of \$219.6 million and \$516.8 million, respectively, compared to \$208.8 million and \$498.7 million, for the 12 and 28 weeks ended September 6, 2003, respectively.

(2) 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 Company completed the sale of its stores in Northern New England and Madison, Wisconsin, generating proceeds of \$137.6 million and resulting in a gain of \$75.8 million (\$44.0 million after tax).

(3) Prior year results have been restated for (i.) revised Financial Accounting Standards Board Interpretation No. 46, "Consolidation of Variable Interest Entities - and interpretation of Accounting Research Bulletin No. 51," which relates to variable interest entities and, as a result of the adoption of this standard, the Company has now consolidated the financial results of its franchisees in Canada; (ii.) EITF Issue 03-10, "Application of EITF Issue No. 02-16, Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor, by Resellers to Sales Incentives Offered to Consumers by Manufacturers," which relates to the accounting for vendor supported promotions that requires a reclassification between sales and cost of goods sold, but has no impact on net loss; and (iii.) a change from LIFO to FIFO accounting for certain inventories so that all inventory accounting in the Company is on a FIFO basis.

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 2 - Condensed Balance Sheet Data
(Unaudited)
(In millions, except per share and store data)

	<u>September 11, 2004</u>	<i>As Restated</i> <u>February 28, 2004</u>
Cash and short-term investments	\$277	\$297
Other current assets	932	900
Total current assets	<u>1,209</u>	<u>1,197</u>
Property-net	1,441	1,472
Other assets	121	115
Total assets	<u><u>\$2,771</u></u>	<u><u>\$2,784</u></u>
Total current liabilities	\$1,157	\$1,083
Total non-current liabilities	1,316	1,308
Stockholders' equity	298	393
Total liabilities and stockholders' equity	<u><u>\$2,771</u></u>	<u><u>\$2,784</u></u>
 <u>Other Statistical Data</u>		
Total Debt and Capital Leases	\$917	\$916
Temporary Investments	117	158
Net Debt	<u>\$800</u>	<u>\$758</u>
Total Retail Square Footage (in thousands)	24,942	24,724
Book Value Per Share	\$7.75	\$10.20
	<u>For the 28</u> <u>weeks ended</u> <u>September 11, 2004</u>	<u>For the 28</u> <u>weeks ended</u> <u>September 6, 2003</u>
Capital Expenditures	\$97	\$76