

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 1 - GAAP Earnings for the 13 and 53 Weeks Ended February 28, 2004 and the 12 and 52 Weeks Ended February 22, 2003
(Unaudited)

(In thousands, except share amounts and store data)

	<u>13 Weeks Ended</u> <u>February 28, 2004</u>	<u>12 Weeks Ended</u> <u>February 22, 2003</u>	<u>53 Weeks Ended</u> <u>February 28, 2004</u>	<u>52 Weeks Ended</u> <u>February 22, 2003</u>
Sales ⁽¹⁾	\$ 2,699,637	\$ 2,365,048	\$ 10,812,462	\$ 10,096,781
Cost of merchandise sold ⁽²⁾	<u>(1,963,977)</u>	<u>(1,704,688)</u>	<u>(7,882,646)</u>	<u>(7,251,322)</u>
Gross margin	735,660	660,360	2,929,816	2,845,459
Store operating, general and administrative expense ^{(2) (3) (4)}	<u>(786,688)</u>	<u>(660,429)</u>	<u>(3,098,648)</u>	<u>(2,839,201)</u>
(Loss) income from operations	(51,028)	(69)	(168,832)	6,258
Interest expense	(18,874)	(18,471)	(80,086)	(84,679)
Interest income	<u>1,989</u>	<u>1,602</u>	<u>7,285</u>	<u>7,897</u>
Loss from continuing operations before income taxes ⁽²⁾	(67,913)	(16,938)	(241,633)	(70,524)
Benefit from (provision for) income taxes ⁽⁵⁾	<u>8,046</u>	<u>(5,880)</u>	<u>31,671</u>	<u>(130,630)</u>
Loss from continuing operations ⁽²⁾	(59,867)	(22,818)	(209,962)	(201,154)
Discontinued operations: ⁽⁶⁾				
Income (loss) from operations of discontinued businesses, net of tax	2,740	1,850	(30,183)	7,645
Gain on disposal of discontinued operations, net of tax	<u>-</u>	<u>-</u>	<u>94,506</u>	<u>-</u>
Income from discontinued operations	<u>2,740</u>	<u>1,850</u>	<u>64,323</u>	<u>7,645</u>
Net loss	<u>\$ (57,127)</u>	<u>\$ (20,968)</u>	<u>\$ (145,639)</u>	<u>\$ (193,509)</u>
Net (loss) income per share - basic and diluted: ⁽²⁾				
Continuing operations	\$ (1.55)	\$ (0.59)	\$ (5.45)	\$ (5.23)
Discontinued operations	<u>0.07</u>	<u>0.05</u>	<u>1.67</u>	<u>0.20</u>
Net loss per share - basic and diluted	<u>\$ (1.48)</u>	<u>\$ (0.54)</u>	<u>\$ (3.78)</u>	<u>\$ (5.03)</u>
Weighted average common shares outstanding - basic	<u>38,517,552</u>	<u>38,515,806</u>	<u>38,516,750</u>	<u>38,494,812</u>
Weighted average common shares outstanding - diluted	<u>38,517,552</u>	<u>38,515,806</u>	<u>38,516,750</u>	<u>38,494,812</u>
Gross margin rate	27.25%	27.92%	27.10%	28.18%
Store operating, general and administrative expense rate	29.14%	27.92%	28.66%	28.12%
Number of stores operated at end of quarter	<u>633</u>	<u>695</u>	<u>633</u>	<u>695</u>
Number of franchised stores served at end of quarter	<u>63</u>	<u>65</u>	<u>63</u>	<u>65</u>

- (1) Included in sales for the 13 and 53 weeks ended February 28, 2004 were wholesale sales to franchisees of \$198.4 million and \$813.8 million, respectively, compared to \$166.0 million and \$712.5 million for the 12 and 52 weeks ended February 22, 2003, respectively.
- (2) Cost of merchandise sold for the 13 and 53 weeks ended February 28, 2004 and the 52 weeks ended February 22, 2003 and store operating, general and administrative expense for both the 13 and 53 weeks ended February 28, 2004 and the 12 and 52 weeks ended February 22, 2003 include amounts related to the Company's asset disposition initiatives announced during the third quarter of fiscal 2001 and fourth quarter of fiscal 2003. These amounts are detailed on Schedules 2 and 3 attached.
- (3) During the 53 weeks ended February 28, 2004, the Company recorded \$60.1 million in impairment charges relating to Farmer Jack's long lived assets and goodwill. This amount was determined through internal analysis and an external valuation performed by an independent third party appraiser, primarily using the discounted cash flow approach. During the 53 weeks ended February 28, 2004, we also recorded \$37.7 million in restructuring charges relating to the closure and conversion of Farmer Jack stores in the Detroit, Michigan and Toledo, Ohio markets.
- (4) During the 12 and 52 weeks ended February 22, 2003, the Company purchased in the open market \$50.7 million of its 7.75% Notes due April 15, 2007 and \$44.5 million of its 9.125% Notes due December 15, 2011. As a result, the Company recognized a pretax gain of \$12.9 million and \$12.2 million, respectively, during the 12 and 52 weeks ended February 22, 2003.
- (5) Provision for income taxes for the 52 week period ended February 22, 2003 includes a charge to record a valuation allowance for the Company's entire U.S. deferred tax asset as a result of an assessment of the likelihood of future recognition of such deferred tax assets.
- (6) 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 \$81.4 million (\$47.2 million after tax). In November 2003, the Company completed the sale of its Eight O'Clock Coffee business, generating proceeds of \$107.5 million and resulting in a gain of \$75.1 million (\$43.6 million after tax). In addition, during the 53 weeks ended

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 2 - Adjustments to GAAP Earnings for the 13 Weeks Ended February 28, 2004 and the 12 Weeks Ended February 22, 2003
(Unaudited)
(In thousands, except share amounts and store data)

	13 Weeks Ended February 28, 2004		12 Weeks Ended February 22, 2003		
	Asset Disposition Initiative	Total adjustments	Asset Disposition Initiative	Gain on early extinguishment of debt	Total adjustments
Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of merchandise sold	(2,244)	(2,244)	-	-	-
Gross margin	(2,244)	(2,244)	-	-	-
Store operating, general and administrative expense	(36,656)	(36,656)	3,532	12,865	16,397
(Loss) income from operations	(38,900)	(38,900)	3,532	12,865	16,397
Interest expense	-	-	-	-	-
Interest income	-	-	-	-	-
(Loss) income from continuing operations before income taxes	(38,900)	(38,900)	3,532	12,865	16,397
Benefit from (provision for) income taxes	358	358	(201)	-	(201)
(Loss) income from continuing operations	(38,542)	(38,542)	3,331	12,865	16,196
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>\$ (38,542)</u>	<u>\$ (38,542)</u>	<u>\$ 3,331</u>	<u>\$ 12,865</u>	<u>\$ 16,196</u>
Net (loss) income per share - basic and diluted:					
Continuing operations	\$ (1.00)	\$ (1.00)	\$ 0.09	\$ 0.34	\$ 0.43
Discontinued operations	-	-	-	-	-
Net (loss) income per share - basic and diluted	<u>\$ (1.00)</u>	<u>\$ (1.00)</u>	<u>\$ 0.09</u>	<u>\$ 0.34</u>	<u>\$ 0.43</u>
Weighted average common shares outstanding - basic	<u>38,517,552</u>	<u>38,517,552</u>	<u>38,515,806</u>	<u>38,515,806</u>	<u>38,515,806</u>
Weighted average common shares outstanding - diluted	<u>38,517,552</u>	<u>38,517,552</u>	<u>38,515,806</u>	<u>38,515,806</u>	<u>38,515,806</u>

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 3 - Adjustments to GAAP Earnings for the 53 Weeks Ended February 28, 2004 and the 52 Weeks Ended February 22, 2003
(Unaudited)
(In thousands, except share amounts and store data)

	53 Weeks Ended February 28, 2004			52 Weeks Ended February 22, 2003				
	Asset Disposition Initiative	Goodwill/ Long-Lived Asset Impairment	Total adjustments	Asset Disposition Initiative	Gain 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	(2,244)	-	(2,244)	(1,263)	-	-	-	(1,263)
Gross margin	(2,244)	-	(2,244)	(1,263)	-	-	-	(1,263)
Store operating, general and administrative expense	(31,302)	(60,082)	(91,384)	7,657	12,181	-	1,717	21,555
(Loss) income from operations	(33,546)	(60,082)	(93,628)	6,394	12,181	-	1,717	20,292
Interest expense	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
(Loss) income from continuing operations before income taxes	(33,546)	(60,082)	(93,628)	6,394	12,181	-	1,717	20,292
Benefit from (provision for) income taxes	10	-	10	3,199	287	(133,962)	(721)	(131,197)
(Loss) income from continuing operations	(33,536)	(60,082)	(93,618)	9,593	12,468	(133,962)	996	(110,905)
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>\$ (33,536)</u>	<u>\$ (60,082)</u>	<u>\$ (93,618)</u>	<u>\$ 9,593</u>	<u>\$ 12,468</u>	<u>\$ (133,962)</u>	<u>\$ 996</u>	<u>\$ (110,905)</u>
Net (loss) income per share - basic and diluted:								
Continuing operations	\$ (0.87)	\$ (1.56)	\$ (2.43)	\$ 0.25	\$ 0.32	\$ (3.48)	\$ 0.03	\$ (2.88)
Discontinued operations	-	-	-	-	-	-	-	-
Net (loss) income per share - basic and diluted	<u>\$ (0.87)</u>	<u>\$ (1.56)</u>	<u>\$ (2.43)</u>	<u>\$ 0.25</u>	<u>\$ 0.32</u>	<u>\$ (3.48)</u>	<u>\$ 0.03</u>	<u>\$ (2.88)</u>
Weighted average common shares outstanding - basic	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>
Weighted average common shares outstanding - diluted	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 4 - Adjustments to GAAP Earnings for the 13 Weeks Ended February 28, 2004 and the 12 Weeks Ended February 22, 2003
(Unaudited)
(In thousands, except share amounts and store data)

	13 Weeks Ended February 28, 2004			12 Weeks Ended February 22, 2003		
	GAAP Earnings ⁽¹⁾	Adjustments to be (added) subtracted (See Schedule 2)	Earnings as Adjusted ⁽¹⁾	GAAP Earnings ⁽²⁾	Adjustments to be (added) subtracted (See Schedule 2)	Earnings as Adjusted ⁽²⁾
Sales	\$ 2,699,637	\$ -	\$ 2,699,637	\$ 2,365,048	\$ -	\$ 2,365,048
Cost of merchandise sold	(1,963,977)	(2,244)	(1,961,733)	(1,704,688)	-	(1,704,688)
Gross margin	735,660	(2,244)	737,904	660,360	-	660,360
Store operating, general and administrative expense	(786,688)	(36,656)	(750,032)	(660,429)	16,397	(676,826)
(Loss) income from operations	(51,028)	(38,900)	(12,128)	(69)	16,397	(16,466)
Interest expense	(18,874)	-	(18,874)	(18,471)	-	(18,471)
Interest income	1,989	-	1,989	1,602	-	1,602
(Loss) income from continuing operations before income taxes	(67,913)	(38,900)	(29,013)	(16,938)	16,397	(33,335)
Benefit from (provision for) income taxes	8,046	358	7,688	(5,880)	(201)	(5,679)
(Loss) income from continuing operations	(59,867)	(38,542)	(21,325)	(22,818)	16,196	(39,014)
Discontinued operations:						
Income from operations of discontinued businesses, net of tax	2,740	-	2,740	1,850	-	1,850
Gain on disposal of discontinued operations, net of tax	-	-	-	-	-	-
Income from discontinued operations	2,740	-	2,740	1,850	-	1,850
Net (loss) income	<u>\$ (57,127)</u>	<u>\$ (38,542)</u>	<u>\$ (18,585)</u>	<u>\$ (20,968)</u>	<u>\$ 16,196</u>	<u>\$ (37,164)</u>
Net (loss) income per share - basic and diluted:						
Continuing operations	\$ (1.55)	\$ (1.00)	\$ (0.55)	\$ (0.59)	\$ 0.43	\$ (1.01)
Discontinued operations	0.07	-	0.07	0.05	-	0.05
Net (loss) income per share - basic and diluted	<u>\$ (1.48)</u>	<u>\$ (1.00)</u>	<u>\$ (0.48)</u>	<u>\$ (0.54)</u>	<u>\$ 0.43</u>	<u>\$ (0.97)</u>
Weighted average common shares outstanding - basic	<u>38,517,552</u>	<u>38,517,552</u>	<u>38,517,552</u>	<u>38,515,806</u>	<u>38,515,806</u>	<u>38,515,806</u>
Weighted average common shares outstanding - diluted	<u>38,517,552</u>	<u>38,517,552</u>	<u>38,517,552</u>	<u>38,515,806</u>	<u>38,515,806</u>	<u>38,515,806</u>
Gross margin rate	<u>27.25%</u>		<u>27.33%</u>	<u>27.92%</u>		<u>27.92%</u>
Store operating, general and administrative expense rate	<u>29.14%</u>		<u>27.78%</u>	<u>27.92%</u>		<u>28.62%</u>
Depreciation and amortization	<u>\$ 57,024</u>		<u>\$ 57,024</u>	<u>\$ 60,763</u>		<u>\$ 60,763</u>

Reconciliation of GAAP cash flow measure to adjusted EBITDA:

Net cash (used in) provided by operating activities	\$ (2,130)	\$ 135,934
Net interest expense	16,885	16,869
Adjustments from GAAP earnings	38,542	(16,196)
Deferred income tax provision	(45,536)	(11,487)
Working capital changes	(7,163)	(50,835)
Other non-current liabilities	(20,669)	(16,438)
Other, net	64,967	(13,550)
Adjusted EBITDA	<u>\$ 44,896</u>	<u>\$ 44,297</u>

Notes:

- (1) Earnings as adjusted for the 13 weeks ended February 28, 2004 includes an increase in our workers' compensation and general liability reserves of \$17.5 million in response to both adverse development of prior years' costs and other developments including a continuing trend of rising costs.
- (2) Earnings as adjusted for the 12 weeks ended February 22, 2003 includes severance of approximately of \$10 million and a charge relating to the adoption of EITF 02-16 "Accounting By a Customer (including a Reseller) for Certain Consideration Received From a Vendor" of approximately \$2 million. These charges are offset by a \$7 million reduction of accruals for occupancy costs which we believe accumulated over a number of years and are not significant to each or any of those years.

The Great Atlantic & Pacific Tea Company, Inc.
Schedule 5 - Adjustments to GAAP Earnings for the 53 Weeks Ended February 28, 2004 and the 52 Weeks Ended February 22, 2003
(Unaudited)
(In thousands, except share amounts and store data)

	53 Weeks Ended February 28, 2004			52 Weeks Ended February 22, 2003		
	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	\$ 10,812,462	\$ -	\$ 10,812,462	\$ 10,096,781	\$ -	\$ 10,096,781
Cost of merchandise sold	(7,882,646)	(2,244)	(7,880,402)	(7,251,322)	(1,263)	(7,250,059)
Gross margin	2,929,816	(2,244)	2,932,060	2,845,459	(1,263)	2,846,722
Store operating, general and administrative expense	(3,098,648)	(91,384)	(3,007,264)	(2,839,201)	21,555	(2,860,756)
(Loss) income from operations	(168,832)	(93,628)	(75,204)	6,258	20,292	(14,034)
Interest expense	(80,086)	-	(80,086)	(84,679)	-	(84,679)
Interest income	7,285	-	7,285	7,897	-	7,897
(Loss) income from continuing operations before income taxes	(241,633)	(93,628)	(148,005)	(70,524)	20,292	(90,816)
Benefit from (provision for) income taxes	31,671	10	31,661	(130,630)	(131,197)	567
Loss from continuing operations	(209,962)	(93,618)	(116,344)	(201,154)	(110,905)	(90,249)
Discontinued operations:						
(Loss) income from operations of discontinued businesses, net of tax	(30,183)	-	(30,183)	7,645	-	7,645
Gain on disposal of discontinued operations, net of tax	94,506	-	94,506	-	-	-
Income from discontinued operations	64,323	-	64,323	7,645	-	7,645
Net loss	<u>\$ (145,639)</u>	<u>\$ (93,618)</u>	<u>\$ (52,021)</u>	<u>\$ (193,509)</u>	<u>\$ (110,905)</u>	<u>\$ (82,604)</u>
Net (loss) income per share - basic and diluted:						
Continuing operations	\$ (5.45)	\$ (2.43)	\$ (3.02)	\$ (5.23)	\$ (2.88)	\$ (2.34)
Discontinued operations	1.67	-	1.67	0.20	-	0.20
Net loss per share - basic and diluted	<u>\$ (3.78)</u>	<u>\$ (2.43)</u>	<u>\$ (1.35)</u>	<u>\$ (5.03)</u>	<u>\$ (2.88)</u>	<u>\$ (2.15)</u>
Weighted average common shares outstanding - basic	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>
Weighted average common shares outstanding - diluted	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,516,750</u>	<u>38,494,812</u>	<u>38,494,812</u>	<u>38,494,812</u>
Gross margin rate	<u>27.10%</u>		<u>27.12%</u>	<u>28.18%</u>		<u>28.19%</u>
Store operating, general and administrative expense rate	<u>28.66%</u>		<u>27.81%</u>	<u>28.12%</u>		<u>28.33%</u>
Depreciation and amortization	<u>\$ 266,099</u>		<u>\$ 266,099</u>	<u>\$ 250,070</u>		<u>\$ 250,070</u>
<i>Reconciliation of GAAP cash flow measure to adjusted EBITDA:</i>						
Net cash (used in) provided by operating activities		\$ (14,978)			\$ 191,046	
Net interest expense			72,801		76,782	
Adjustments from GAAP earnings			93,618		110,905	
Deferred income tax provision			(8,670)		(157,566)	
Working capital changes			32,093		7,218	
Other non-current liabilities			35,700		52,650	
Long lived assets / goodwill impairment charge			(60,082)		-	
Other, net			40,413		(44,999)	
Adjusted EBITDA			<u>\$ 190,895</u>		<u>\$ 236,036</u>	

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

	<u>February 28, 2004</u>	<u>February 22, 2003</u>
Cash and short-term investments	\$276	\$199
Other current assets	870	901
Total current assets	1,146	1,100
Property-net	1,441	1,609
Other assets	155	176
Total assets	<u>\$2,742</u>	<u>\$2,885</u>
Total current liabilities	\$1,074	\$1,091
Total non-current liabilities	1,281	1,296
Stockholders' equity	387	498
Total liabilities and stockholders' equity	<u>\$2,742</u>	<u>\$2,885</u>
 <u>Other Statistical Data</u>		
Total Debt and Capital Leases	\$901	\$926
Temporary Investments	158	78
Net Debt	<u>\$743</u>	<u>\$848</u>
Total Retail Square Footage (in thousands)	24,724	26,818
Book Value Per Share	\$10.05	\$12.93
	<u>For the 53 weeks ended February 28, 2004</u>	<u>For the 52 weeks ended February 22, 2003</u>
Capital Expenditures	\$135	\$220