

GREAT ATLANTIC & PACIFIC TEA CO INC
Form 10-Q
January 13, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Mark One

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 4, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-4141

THE GREAT ATLANTIC & PACIFIC TEA COMPANY, INC.
(Exact name of registrant as specified in charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

13-1890974
(I.R.S. Employer Identification
No.)

2 Paragon Drive
Montvale, New Jersey 07645
(Address of principal executive offices)

(201) 573-9700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of January 7, 2011, the Registrant had a total of 53,852,470 shares of common stock - \$1 par value outstanding.

PART I – FINANCIAL INFORMATION

ITEM 1 – Financial Statements

The Great Atlantic & Pacific Tea Company, Inc.
 Consolidated Statements of Operations
 (Dollars in thousands, except share and per share amounts)
 (Unaudited)

	12 Weeks Ended		40 Weeks Ended	
	Dec. 4, 2010	Dec. 5, 2009	Dec. 4, 2010	Dec. 5, 2009
Sales	\$ 1,793,805	\$ 1,962,692	\$ 6,277,014	\$ 6,817,996
Cost of merchandise sold	(1,259,568)	(1,372,108)	(4,416,258)	(4,759,185)
Gross margin	534,237	590,584	1,860,756	2,058,811
Store operating, general and administrative expense	(635,586)	(631,175)	(2,087,826)	(2,109,804)
Goodwill, trademark and long-lived asset impairment	(42,036)	(412,560)	(77,684)	(412,560)
Loss from operations	(143,385)	(453,151)	(304,754)	(463,553)
Nonoperating (loss) income	(213)	(15,944)	10,241	(24,898)
Interest expense, net	(40,038)	(45,718)	(147,306)	(148,433)
Loss from continuing operations before income taxes	(183,636)	(514,813)	(441,819)	(636,884)
Benefit from income taxes	2,953	12,375	2,708	13,983
Loss from continuing operations	(180,683)	(502,438)	(439,111)	(622,901)
Discontinued operations:				
Loss from operations of discontinued businesses, net of tax of \$0	(18,687)	(57,148)	(36,655)	(82,154)
Gain on disposal of discontinued businesses, net of tax of \$0	-	-	79	-
Loss from discontinued operations	(18,687)	(57,148)	(36,576)	(82,154)
Net loss	\$ (199,370)	\$ (559,586)	\$ (475,687)	\$ (705,055)
Net loss per share – basic:				
Continuing operations	\$ (3.44)	\$ (9.43)	\$ (8.45)	\$ (11.76)
Discontinued operations	(0.34)	(1.07)	(0.68)	(1.55)
Net loss per share – basic	\$ (3.78)	\$ (10.50)	\$ (9.13)	\$ (13.31)
Net loss per share – diluted:				
Continuing operations	\$ (3.44)	\$ (12.85)	\$ (32.09)	\$ (22.36)
Discontinued operations	(0.34)	(1.50)	(2.53)	(3.06)
Net loss per share – diluted	\$ (3.78)	\$ (14.35)	\$ (34.62)	\$ (25.42)
Weighted average number of common shares outstanding				
Basic	53,852,470	53,420,248	53,688,540	53,139,840
Diluted				