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

T 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

o 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 T NO o

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 o No o

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 o   Accelerated filer T   Non-accelerated filer o   Smaller reporting company o

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

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	53,852,470	37,993,212	14,448,398	26,844,195

See Notes to Consolidated Financial Statements

The Great Atlantic & Pacific Tea Company, Inc.
Consolidated Statements of Stockholders' Deficit and Comprehensive Loss
(Dollars in thousands, except share amounts)
(Unaudited)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
40 Weeks Ended December 4, 2010						
Balance as of 2/27/2010, as previously reported	55,868,129	$ 55,868	$ 498,144	$ (1,003,812)	$ (79,403)	$ (529,203)
Retrospective adoption of new accounting guidance for own share-lending arrangements	-	-	28,277	(28,277)	-	-
Balance as of 2/27/2010, as adjusted	55,868,129	55,868	526,421	(1,032,089)	(79,403)	(529,203)
Net loss				(475,687)		(475,687)
Beneficial conversion feature accretion on preferred stock			(3,703)			(3,703)
Dividends on preferred stock			(10,631)			(10,631)
Preferred stock financing fees amortization			(1,338)			(1,338)
Other comprehensive income					543	543
Stock options exercised	4,834	5	23			28
Other share based awards	407,451	407	541			948
Balance at end of period	56,280,414	$ 56,280	$ 511,313	$ (1,507,776)	$ (78,860)	$ (1,019,043)
40 Weeks Ended December 5, 2009						
Balance as of 2/28/2009, as previously reported	57,674,799	$ 57,675	$ 464,679	$ (127,314)	$ (105,147)	$ 289,893
Retrospective adoption of new accounting guidance for own share-lending arrangements	-	-	28,277	(28,277)	-	-
Balance as of 2/28/2009, as adjusted	57,674,799	57,675	492,956	(155,591)	(105,147)	289,893
Net loss				(705,055)		(705,055)
Other comprehensive loss					(188)	(188)
Beneficial conversion feature related to preferred stock			10,246			10,246

Dividends on preferred stock			(1,599)			(1,599)
Preferred stock financing fees amortization			(209)			(209)
Returned shares under Share Lending Agreement	(1,000,000)	(1,000)	1,000			-
Stock options exercised	10,380	10	33			43
Other share based awards	673,934	674	4,009			4,683
Balance at end of period	57,359,113	$ 57,359	$ 506,436	$ (860,646)	$ (105,335)	$ (402,186)

Comprehensive Loss

	12 Weeks Ended		40 Weeks Ended	
	Dec. 4, 2010	Dec. 5, 2009	Dec. 4, 2010	Dec. 5, 2009
Net loss	$ (199,370)	$ (559,586)	$ (475,687)	$ (705,055)
Net unrealized (loss) gain on marketable securities, net of tax	-	(95)	-	543
Pension and other post-retirement benefits, net of tax	163	(1,643)	543	(731)
Other comprehensive income (loss), net of tax	163	(1,738)	543	(188)
Total comprehensive loss	$ (199,207)	$ (561,324)	$ (475,144)	$ (705,243)

See Notes to Consolidated Financial Statements

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

	Dec. 4, 2010	Feb. 27, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 92,411	$ 252,426
Restricted cash	1,730	1,993
Accounts receivable, net of allowance for doubtful accounts of $5,759 and $8,812 at 12/4/2010 and 2/27/2010, respectively	148,340	166,143
Inventories, net	454,621	467,227
Prepaid expenses and other current assets	46,061	43,374
Total current assets	743,163	931,163
Non-current assets:		
Property:		
Property owned, net	1,238,831	1,397,971
Property leased under capital leases, net	65,948	89,599
Property, net	1,304,779	1,487,570
Goodwill	110,412	115,197
Intangible assets, net	126,763	147,713
Other assets	138,470	145,574
Total assets	$ 2,423,587	$ 2,827,217
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 171,467	$ 191
Current portion of obligations under capital leases	13,653	13,702
Current portion of real estate liabilities	1,238	4,220
Accounts payable	196,322	227,779
Book overdrafts	50,922	60,465
Accrued salaries, wages and benefits	126,104	145,170
Accrued taxes	35,619	31,802
Other accruals	305,192	246,516
Total current liabilities	900,517	729,845
Non-current liabilities:		
Long-term debt	816,830	990,359
Long-term obligations under capital leases	124,714	136,880
Long-term real estate liabilities	418,372	329,363
Deferred real estate income	86,518	87,061
Other financial liabilities	3,705	13,946
Other non-current liabilities	954,182	936,209
Total liabilities	3,304,838	3,223,663
Series A redeemable preferred stock – no par value, $1,000 redemption value; authorized – 700,000 shares; issued – 175,000 shares	137,792	132,757
Commitments and contingencies (Refer to Note 19)		

Stockholders' deficit:				
Common stock – $1 par value; authorized – 260,000,000 shares; issued and outstanding – 56,280,414 and 55,868,129 shares at 12/4/2010 and 2/27/2010, respectively		56,280		55,868
Additional paid-in capital		511,313		526,421
Accumulated other comprehensive loss		(78,860)		(79,403)
Accumulated deficit		(1,507,776)		(1,032,089)
Total stockholders’ deficit		(1,019,043)		(529,203)
Total liabilities and stockholders’ deficit	$	2,423,587	$	2,827,217

See Notes to Consolidated Financial Statements

The Great Atlantic & Pacific Tea Company, Inc.
Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	40 Weeks Ended Dec. 4, 2010	40 Weeks Ended Dec. 5, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (475,687)	$ (705,055)
Adjustments to reconcile net loss to net cash used in operating activities (see next page)	304,094	762,501
Other changes in assets and liabilities:		
Decrease in receivables	17,803	17,946
Decrease (increase) in inventories	10,467	(19,857)
Increase in prepaid expenses and other current assets	(12,968)	(32,943)
Increase in other assets	(10,203)	(7,546)
(Decrease) increase in accounts payable	(29,201)	23,771
Decrease in accrued salaries, wages and benefits, and taxes	(28,977)	(43,887)
Increase in other accruals	44,128	16,145
Increase (decrease) in other non-current liabilities	1,300	(62,777)
Other operating activities, net	(1,020)	693
Net cash used in operating activities	(180,264)	(51,009)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property	(62,854)	(71,919)
Proceeds from disposal of property	38,186	3,275
Proceeds from flood insurance	6,410	-
Proceeds from sale of joint venture	-	5,914
Decrease in restricted cash	303	222
Proceeds from maturities of marketable securities	-	4,212
Net cash used in investing activities	(17,955)	(58,296)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	800	253,201
Principal payments on long-term borrowings	(201)	(234)
Proceeds under revolving lines of credit	619,500	39,450
Principal payments on revolving lines of credit	(636,384)	(238,333)
Proceeds under line of credit	-	378
Principal payments on line of credit	-	(4,211)
Proceeds from issuance of preferred stock	-	175,000
Proceeds from long-term real estate liabilities	-	270
Principal payments on long-term real estate liabilities	(980)	(918)
Proceeds from sale-leaseback transaction	89,830	3,000
Principal payments on capital leases	(9,140)	(8,457)
(Decrease) increase in book overdrafts	(9,543)	24,692
Deferred financing fees	(5,206)	(26,515)
Dividends paid on preferred stock	(10,500)	(1,594)
Proceeds from stock options exercised	28	43
Net cash provided by financing activities	38,204	215,772

Net (decrease) increase in cash and cash equivalents		(160,015)		106,467
Cash and cash equivalents at beginning of period		252,426		175,375
Cash and cash equivalents at end of period	$	92,411	$	281,842
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid during the year for interest	$	103,640	$	92,736
Cash paid during the year for income taxes	$	214	$	3,342

See Notes to Consolidated Financial Statements

The Great Atlantic & Pacific Tea Company, Inc.
Consolidated Statements of Cash Flows - Continued
(Dollars in thousands)
(Unaudited)

ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES:

	40 Weeks Ended	
	Dec. 4, 2010	Dec. 5, 2009
Depreciation and amortization	$ 171,841	$ 191,385
Goodwill, trademark and long-lived asset impairment	78,828	417,726
Self insurance reserve	22,590	1,613
Nonoperating (income) loss	(10,241)	24,898
Non-cash interest expense	27,658	35,101
Stock compensation expense	1,246	4,683
Benefit from deferred income taxes	(3,058)	(12,013)
Pension withdrawal costs	-	2,445
Employee benefit related costs	13,728	4,290
LIFO adjustment	2,139	1,185
Asset disposition initiatives in the normal course of business	-	(2,167)
Asset disposition initiatives relating to discontinued operations	(117)	59,932
Non-cash occupancy charges for stores closed in the normal course of business	7,024	38,589
Gain on disposal of owned property, net	(4,031)	(1,228)
Gain on disposal of discontinued operations	(79)	-
Amortization of deferred real estate income	(3,434)	(3,938)
Total non-cash adjustments to net loss	$ 304,094	$ 762,501

See Notes to Consolidated Financial Statements

The Great Atlantic & Pacific Tea Company, Inc.
Notes to Consolidated Financial Statements - Continued
(Dollars in thousands, except share and per share amounts)
(Unaudited)

1. Basis of Presentation

The accompanying Consolidated Statements of Operations, Consolidated Statements of Stockholders' Deficit and Comprehensive Loss, and Consolidated Statements of Cash Flows for the 12 and 40 weeks ended December 4, 2010 and December 5, 2009, and the Consolidated Balance Sheets at December 4, 2010 and February 27, 2010 of The Great Atlantic & Pacific Tea Company, Inc. ("we," "our," "us" or "our Company") are unaudited and, in the opinion of management, contain all adjustments that are of a normal and recurring nature necessary for a fair statement of financial position and results of operations for such periods. The consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in our Fiscal 2009 Annual Report on Form 10-K. The year-end balance sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally required in the United States of America. Interim results are not necessarily indicative of results for a full year.

The consolidated financial statements include the accounts of our Company and all subsidiaries. All intercompany accounts and transactions have been eliminated.

Certain reclassifications have been made to prior year amounts to conform to current year presentation. Refer to Note 2 – Impact of New Accounting Pronouncements below for prior period reclassifications made upon our retrospective adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") relating to accounting for share lending agreements entered into in contemplation of a convertible debt issuance.

Bankruptcy Filing

On December 12, 2010, subsequent to our balance sheet date, our Company and all of our U.S. subsidiaries (the "Filing Subsidiaries" and, together with our Company, the "Debtors") filed voluntary petitions for relief (the "Bankruptcy Filing") under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York in White Plains (the "Bankruptcy Court"), case number 10-24549. Management's decision to make the Bankruptcy Filing was in response to, among other things, our Company's deteriorating liquidity and management's conclusion in the third quarter that the challenges of successfully implementing additional financing initiatives and of obtaining necessary cost concessions from our Company's business and labor partners, was negatively impacting our Company's ability to implement our previously announced turnaround strategy. Our Company's non-U.S. subsidiaries, which are immaterial on a consolidated basis, were not part of the Bankruptcy Filing and will continue to operate in the ordinary course of business. See Note 21 - Subsequent Events.

The Debtors are currently operating pursuant to Bankruptcy Filing and continuation of our Company as a going-concern is contingent upon, among other things, the Debtors' ability (i) to comply with the terms and conditions of the DIP Credit Agreement described in Note 21 – Subsequent Events; (ii) to develop a plan of reorganization and obtain confirmation under the Bankruptcy Code; (iii) to reduce debt and other liabilities through the bankruptcy process; (iv) to return to profitability; (v) to generate sufficient cash flow from operations; and (vi) to obtain financing sources to meet our future obligations. The uncertainty regarding these matters raises substantial doubt about our ability to continue as a going concern.

Our Company was required to apply the FASB's provisions of Reorganizations effective on December 12, 2010, which is applicable to companies in chapter 11, which generally does not change the manner in which financial statements are prepared. However, it does require that the financial statements for periods subsequent to the filing of the Bankruptcy Filing petition distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Revenues, expenses, realized gains and losses, and provisions for losses that can be directly associated with the reorganization and restructuring of the business must be reported separately as reorganization items in the statements of operations beginning in the year ending February 26, 2011. The balance sheet must distinguish prepetition liabilities subject to compromise from both those prepetition liabilities that are not subject to compromise and from post-petition liabilities. As discussed in Note 8 - Indebtedness and Other Financial Liabilities, currently both the Credit Facility and Secured Senior Notes totaling $370.3 million have priority over the unsecured creditors of our Company; however our Company continues to evaluate creditors' claims for other claims that may also have priority over unsecured creditors. Liabilities that may be affected by a plan of reorganization must be reported at the amounts expected to be approved by the Bankruptcy Court, even if they may be settled for lesser amounts as a result of the plan or reorganization. In addition, cash provided by reorganization items must be disclosed separately in the statements of cash flows. The accompanying consolidated financial statements do not reflect any adjustments relating to the classification of assets or liabilities as a result of adopting the requirements of bankruptcy accounting. In addition, these accompanying consolidated financial statements do not reflect any adjustments of the carrying value of assets and liabilities which may result from any plan of reorganization adopted by our Company.

Significant Accounting Policies
A summary of our significant accounting policies may be found in our Annual Report on Form 10-K for the year ended February 27, 2010. There have been no significant changes in these policies during the 40 weeks ended December 4, 2010.

2. Impact of New Accounting Pronouncements

Newly Adopted Accounting Pronouncements
Share Lending Arrangements. In June 2009, the FASB issued new guidance on accounting for one’s own-share lending arrangements entered into in contemplation of a convertible debt issuance or other financing, which requires share lending arrangements to be measured at fair value and recognized as a debt issuance cost, and amortized using the effective interest method over the life of the financing arrangement as interest cost. The loaned shares are excluded from basic and diluted earnings per share, unless a default occurs.

When a default becomes probable, an expense equal to the fair value of the unreturned loaned shares, net of any probable recoveries, must be recognized. This guidance was effective beginning with our fiscal 2010, with retrospective application required. The fair values of our share lending agreements with the Bank of America and Lehman Brothers International Europe (“Lehman Europe”) were immaterial at inception. Our share lending arrangement with Lehman Europe, who is a party to a 3,206,058 share lending agreement with our Company, is subject to this default provision guidance as a result of their September 15, 2008 bankruptcy filing. In connection with Lehman Europe’s default, during the first quarter of fiscal 2010, we recorded a retrospective adjustment of $28.3 million to our third quarter of fiscal 2008 financial statements by charging “Store operating, general and administrative expense” and crediting “Additional paid-in-capital”, which represents the fair value of the unreturned shares at September 15, 2008. This expense is reflected in our Consolidated Balance Sheets as of February 27, 2010 and December 4, 2010 as an adjustment to opening “Accumulated deficit” and “Additional paid-in capital”. We have been including the loaned shares in our Company’s basic and diluted earnings per share since September 15, 2008. As of January 3, 2011, there were no shares outstanding under our share lending agreements.

Variable Interest Entities. In June 2009, the FASB issued new accounting guidance relating to consolidation of variable interest entities (“VIEs”), which amends the current accounting guidance for determining whether an entity is a VIE and defining the primary beneficiary. This guidance also requires additional disclosures relating to involvement with a VIE. We adopted this guidance during the first quarter of our fiscal 2010. The adoption of this guidance did not have a material effect on our Consolidated Financial Statements and disclosures.

Fair Value Measurements. In January 2010, the FASB issued new accounting guidance requiring additional disclosures about the different classes of assets and liabilities measured at fair value, valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1 and 2. It also clarified guidance around disaggregation and disclosures of inputs and valuation techniques for Level 2 and Level 3 fair value measurements. The current guidance is effective beginning with the first quarter of our fiscal 2010, except for the new disclosures relating to the Level 3 reconciliation, which are effective for the first quarter of our fiscal 2011. Refer to Note 4 – Fair Value Measurements for our Company's fair value measurements and disclosures.

3. Goodwill and Other Intangible Assets

The carrying values of our finite-lived intangible assets are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Our intangible assets that have finite useful lives are amortized over their estimated useful lives. Goodwill and other intangibles with indefinite useful lives that are not subject to amortization are tested for impairment in the fourth quarter of each fiscal year, or more frequently whenever events or changes in circumstances indicate that impairment may have occurred. The latest impairment assessment of goodwill and indefinite lived intangible assets was completed in the fourth quarter of fiscal 2009 for the reporting units within our Gourmet and Other reportable segments and in the first quarter of fiscal 2010 for the reportable units in our Fresh reportable segment. These assessments concluded that there was no impairment.

As we worked through our turnaround plan, we experienced significant impediments to lowering our operating costs, leading to revised projections and triggering a requirement for an interim impairment analysis for our quarter ended December 4, 2010.

Goodwill

We performed the first step of goodwill impairment testing by estimating the fair value of the reporting units using a net present value methodology, which is dependent on significant assumptions related to estimated future discounted cash flows, discount rates and tax rates. Assumptions included a decline in revenues of approximately 10% and 1% in fiscals 2011 and 2012, respectively, with revenues remaining flat for fiscal years thereafter. We assumed that the costs of disruption to our business resulting from the Bankruptcy Filing will be offset in fiscal 2011 by expected improvements in supply, logistics and labor costs expected to be realized through ongoing negotiations with our strategic business partners. We assumed costs for disruptions to our business resulting from the Bankruptcy Filing would cease toward the end of fiscal 2011 with a continuation of improved costs in fiscal 2012. We assumed a perpetual growth rate for cash flow in the terminal year of 1.5%, a market-based weighted average cost of capital of 11.0% to discount cash flows and a blended tax rate of 42.0%. Our analysis showed the goodwill was not impaired. As of December 4, 2010, Goodwill for our Fresh segment was $92.3 million, of which $64.5 million was attributed to A&P and $27.8 million was attributed to Waldbaum's. The fair value of the A&P and The Food Emporium reporting units exceeded their carrying values by an excess of 50%. The fair value of the Waldbaum's, FoodBasics and Beer, Wine & Spirits reporting units exceeded their carrying values by an excess of 25%.

We believe that our estimates are appropriate based on our current trends and our expectations of negotiations resulting from the Bankruptcy Filing. However, we can provide no assurance that we will not be required to make adjustments to goodwill in the future due to market conditions or other factors related to our performance, including a decline in our forecasted results resulting from changes in projected on-going profitability, our capital investment budgets, changes in our interest rates, or favorable contract re-negotiations or expectations assumed in projections due to the Bankruptcy Filing that may not occur.

The carrying amount of our goodwill was $110.4 million and $115.2 million at December 4, 2010 and February 27, 2010, respectively. Our goodwill allocation by segment at December 4, 2010 and February 27, 2010 was as follows:

	Fresh	Pathmark	Gourmet	Other	Total
Goodwill	$ 120,817	$ 321,840	$ 12,110	$ 5,974	$ 460,741
Accumulated impairment losses	(23,704)	(321,840)	-	-	(345,544)
Goodwill at February 27, 2010	$ 97,113	$ -	$ 12,110	$ 5,974	$ 115,197
Disposition of Assets*	(4,785)	-	-	-	(4,785)
Goodwill at December 4, 2010	$ 92,328	$ -	$ 12,110	$ 5,974	$ 110,412

* Relates to the sale of seven stores in Connecticut. Refer to Note 17 – Disposition of Assets

Intangible Assets, net

Intangible assets acquired as part of our acquisition of Pathmark in December 2007 consisted of the following:

	Weighted Average Amortization Period (years)	Gross Carrying Amount	Accumulated Amortization at Dec. 4, 2010	Accumulated Amortization at Feb. 27, 2010
Pathmark trademark	Indefinite	$ 48,200	$ -	$ -
Loyalty card customer relationships	5	19,200	10,842	7,595
In-store advertiser relationships	20	14,720	2,208	