

**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**  
**For the 13 Weeks ended Mar 29, 2003 and Mar 30, 2002**

(Dollars in thousands)

	13 Weeks Mar 29,2003	13 Weeks Mar 30,2002	A%	B%
	(A)	(B)	A%	B%
Net sales and other revenues	\$ 3,681,128	\$ 3,705,988	100.00	100.00
Cost of goods sold	2,712,990	2,747,676	73.70	74.14
Selling and administrative expenses	753,092	768,429	20.46	20.73
Operating income	215,046	189,883	5.84	5.13
Interest expense	79,686	87,326	2.16	2.36
Income from continuing operations and before income taxes	135,360	102,557	3.68	2.77
Provision for income taxes	50,075	41,002	1.36	1.11
Income before discontinued operations, net of tax	85,285	61,555	2.32	1.66
Discontinued operations, net of tax	22,246	2,328	0.60	0.06
Income before cumulative effect of change in accounting principle	63,039	59,227	1.72	1.60
Cumulative effect of change in accounting principle, net of tax	10,946	284,097	0.30	7.67
Net income (loss)	<u>\$ 52,093</u>	<u>\$ (224,870)</u>	<u>1.42</u>	<u>(6.07)</u>

**DELHAIZE AMERICA, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(Dollars in thousands)

March 29, 2003

December 28, 2002

**Assets**

Current assets:

Cash and cash equivalents	\$ 308,458	\$ 131,641
Receivables, net	117,084	142,371
Receivable from affiliate	11,630	14,483
Income tax receivable	-	6,036
Inventories	1,239,543	1,340,847
Prepaid expenses	79,690	30,622
Deferred tax assets	23,474	18,976
Total current assets	<u>1,779,879</u>	<u>1,684,976</u>

Property and equipment, net	2,979,312	3,041,465
Goodwill, net	2,907,309	2,907,305
Other intangibles, net	785,516	792,689
Reinsurance recoverable from affiliate	123,561	119,827
Other assets	95,235	88,554
Total assets	<u>\$ 8,670,812</u>	<u>\$ 8,634,816</u>

**Liabilities and Shareholders' Equity**

Current liabilities:

Accounts payable	\$ 675,390	\$ 762,179
Dividend payable	114,636	114,636
Payable to affiliate	-	8,959
Accrued expenses	380,140	314,851
Capital lease obligations - current	33,254	32,652
Long term debt- current	27,889	28,294
Other liabilities - current	52,738	49,372
Income taxes payable	43,569	-
Total current liabilities	<u>1,327,616</u>	<u>1,310,943</u>

Long-term debt	2,946,704	2,951,072
Capital lease obligations	677,724	698,283
Deferred income taxes	335,020	357,314
Other liabilities	284,954	273,502
Total liabilities	<u>5,572,018</u>	<u>5,591,114</u>

Shareholders' equity:

Class A non-voting common stock	53,222	53,222
Class B voting common stock	37,645	37,645
Accumulated other comprehensive loss, net of tax	(69,349)	(71,130)
Additional paid-in capital, net of unearned compensation	2,468,634	2,467,397
Retained earnings	608,642	556,568
Total shareholders' equity	<u>3,098,794</u>	<u>3,043,702</u>
Total liabilities and shareholders' equity	<u>\$ 8,670,812</u>	<u>\$ 8,634,816</u>

**DELHAIZE AMERICA, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Dollars in thousands)

	13 Weeks 29/03/03	13 Weeks 3/30/2002
<b>Cash flows from operating activities</b>		
Net income/ (loss)	\$ 52,093	\$ (224,870)
Adjustments to reconcile net income/ (loss) to net cash provided by operating activities:		
Cumulative effect of change in accounting principle, net of tax	10,946	284,097
Discontinued operations noncash charges	27,507	-
Streamline noncash charges	2,346	-
Depreciation and amortization	111,771	112,671
Depreciation and amortization - discontinued	444	1,440
Amortization of debt fees/costs	489	503
Amortization of debt premium/discount	283	295
Amortization of deferred loss on derivative	2,071	2,128
Amortization and termination of restricted shares	1,237	2,673
Accrued interest on interest rate swap	(4,201)	-
Loss on disposals of property and capital lease terminations	1,592	117
Deferred income taxes provision (benefit)	(27,579)	1,006
Other	496	35
Changes in operating assets and liabilities which provided (used) cash :		
Receivables	25,287	49,857
Net receivable from affiliate	(6,106)	10,357
Income tax receivable	6,036	8,429
Inventories	81,054	17,020
Prepaid expenses	(49,068)	(38,776)
Other assets	(1,544)	289
Accounts payable	(83,664)	34,203
Accrued expenses	61,750	42,970
Income taxes payable	49,747	20,966
Other liabilities	(14,842)	(1,585)
Total adjustments	<u>196,052</u>	<u>548,695</u>
Net cash provided by operating activities	<u>248,145</u>	<u>323,825</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(58,653)	(92,435)
Proceeds from sale of property	1,617	4,001
Other investment activity	(2,235)	(1,785)
Net cash used in investing activities	<u>(59,271)</u>	<u>(90,219)</u>
<b>Cash flows from financing activities</b>		
Net payments under short-term borrowings	-	(140,000)
Principal payments on long-term debt	(4,247)	(4,130)
Principal payments under capital lease obligations	(7,791)	(7,153)
Warrants common stock purchases	(19)	-
Parent common stock repurchased	-	(4,482)
Proceeds from stock options exercised	-	1,636
Net cash used in financing activities	<u>(12,057)</u>	<u>(154,129)</u>
Net increase in cash and cash equivalents	176,817	79,477
Cash and cash equivalents at beginning of year	131,641	137,206
Cash and cash equivalents at end of period	<u>\$ 308,458</u>	<u>\$ 216,683</u>

The Company considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Non-cash investing and financing activities:

Capitalized lease obligations incurred for store properties and equipment	7,301	10,984
Change in reinsurance recoverable and other liabilities	3,734	67
Other	447	-
Investment in WWRE	-	3,000
Delhaize Group Share Exchange final adjustment to purchase price allocation:		
Property	-	44,433
Deferred income taxes	-	43,752
Capital lease obligations	-	4,475
Accrued expenses	-	5,156
Reclassification of deferred taxes to goodwill related to intangible assets that did not meet the separability criteria of SFAS No.141	-	117,895

**DELHAIZE AMERICA, INC.**  
**Supplemental Information**  
**(unaudited)**

**EARNINGS BEFORE AMORTIZATION AND EXCEPTIONAL ITEMS (Dollars in millions):**

Net income	\$52.1	(\$224.9)
Add back, net of tax:		
Cumulative effect of change in accounting principle	10.9	284.1
Amortization of intangibles	5.7	5.8
	<u>\$ 68.7</u>	<u>\$ 64.9</u>

**FREE CASH FLOW RECONCILIATION (Dollars in thousands):**

Net cash provided by operating activities	\$ 248,145	\$ 323,825
Net cash used in investing activities	(59,271)	(90,219)
Dividends paid	-	-
Free cash flow	<u>\$ 188,874</u>	<u>\$ 233,606</u>

**NET DEBT RECONCILIATION (Dollars in thousands):**

Long-term debt	\$ 2,946,704	\$ 3,061,496
Capital lease obligations	677,724	692,344
Long-term debt current	27,889	18,007
Capital lease obligations -current	33,254	29,824
Short term borrowings	-	-
Cash and cash equivalents	(308,458)	(216,683)
Net debt	<u>\$ 3,377,113</u>	<u>\$ 3,584,988</u>

**DELHAIZE AMERICA STATISTICAL AND OTHER FINANCIAL INFORMATION**

Stores opened	3	8
Stores acquired	0	0
Stores closed	44	3
Stores renovated	6	29
Total stores	1444	1464
Capital expenditures (dollars in millions)	\$ 58.7	\$ 92.4
Total square footage (in millions)	53.3	53.6
Square footage increase	-1%	4%