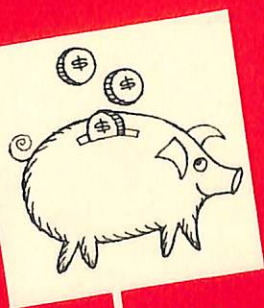


employees' thrift plan



For eligible United States employees of
The Great Atlantic & Pacific Tea Company, Inc.
and Subsidiaries



employees' thrift plan

enables you to

save systematically for your future
become a stockholder of A & P

A brief summary of the plan

The A & P Employees' Thrift Plan gives you an incentive to save regularly and to invest those savings for your future. In addition, it helps you to become a stockholder of The Great Atlantic & Pacific Tea Company, Inc. The Thrift Plan is just part of A & P's broad program of personal and family benefits—including sickness pay, hospitalization and surgical coverage, life insurance, and retirement income.

Please read this booklet carefully and let your family read it too. If you have any questions about the Plan, please refer them to your superior.

more details
page

All full-time United States employees, except those employees represented by a collective bargaining agent until the Plan is extended to cover such employees, are eligible after 5 years of full-time service.

4

You authorize *regular* savings by payroll deduction.

5

A & P contributes 25% of the total you save.

6

You specify how *your* savings are invested—all in government securities or $\frac{3}{4}$ in government securities and $\frac{1}{4}$ in A & P common stock.

7

A & P's contributions are invested in A & P common stock.

7

The Plan *Trustee* receives and invests all contributions—and reinvests all dividends and interest.

8

You get an *individual* annual statement that shows your status in the Plan.

10

The *value* of your total savings and total Company contributions for you is paid at retirement, or death, or total and permanent disability.

11

You take the value of *your* savings with you if you otherwise terminate service with A & P—and if you leave after 5 years in the Plan, you will get from 50% to 100% of the value of *Company* contributions (depending on your years in the Plan).

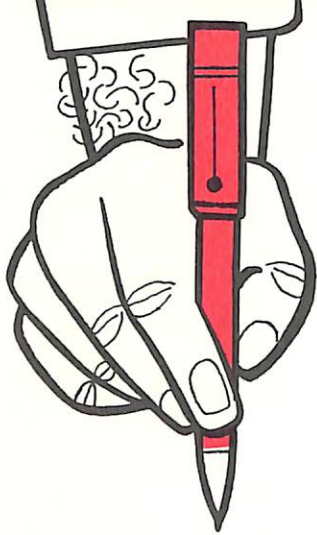
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It is possible to make *withdrawals* of your own money while still employed by A & P.

13

You may get *favorable* Federal income tax treatment of amounts paid to you.

14



1 Who is eligible?

All regular full-time United States employees, except those employees represented by a collective bargaining agent until the Plan is extended to cover such employees, are eligible for Plan membership

—after completing 5 years of full-time service.

For eligibility purposes your service need not be continuous—but if there is a break of more than 3 consecutive years, only your latest period of service counts.

Before you can become a member, you will need to fill out and sign the application form included with your prospectus. On it you

- state the percentage of your salary that you want to save
- authorize payroll deductions of your savings
- specify how your savings are to be invested
- name a beneficiary or beneficiaries
(and you may change your designation at any time)



2 How much can I save?

You have a choice of the amount you can invest in the Plan. You can save

1% or 2% or 3% or 4%
of your base compensation,
excluding overtime or special pay
(rounded to the next highest 10 cents
if not an even multiple of 10 cents).

Your salary rate when you enter the Plan and each succeeding October 1 will determine your compensation base until the next September 30. You may increase (up to 4%) or decrease the amount you save, effective with the first pay period after September 30 in any year, by giving written notice to the Company.



3 What does A & P contribute?

A & P adds to your savings by contributing from profits each month 25% of the amount you save.

If you save weekly:	A & P would contribute:	yearly amount would equal		
		yours:	A & P:	total:
\$1.00	\$.25	\$ 52	\$13	\$ 65
2.00	.50	104	26	130
3.00	.75	156	39	195
4.00	1.00	208	52	260

4 What happens to my savings?

You have a choice of how your savings are invested.
You can elect that

*all of your savings be used to purchase
U.S. government securities*

or

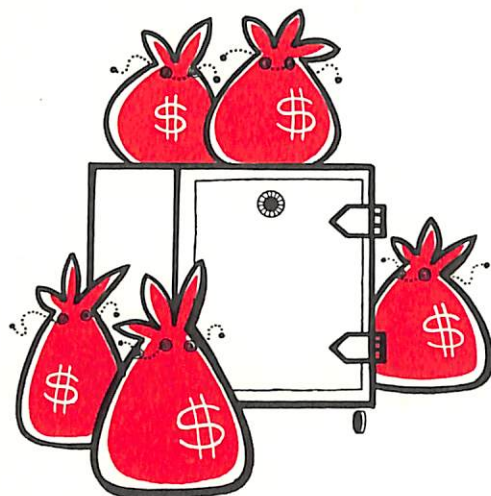
$\frac{3}{4}$ of your savings be used to purchase
U.S. government securities, and

$\frac{1}{4}$ of your savings be used to purchase
A & P common stock.

You may change your investment choice for future savings, effective with the first pay period after September 30 in any year, by giving written notice to the Company.

5 What happens to A&P contributions?

All Company contributions on your behalf will be used to purchase A & P common stock. This is done to give you a chance to own shares of the Company at no cost to you.



6 Who handles the money?

The Plan Trustee, Bankers Trust Company, New York City, receives and invests your savings and the amount contributed by A & P on your behalf.

The Trust consists of three Funds—

Fund A—government securities

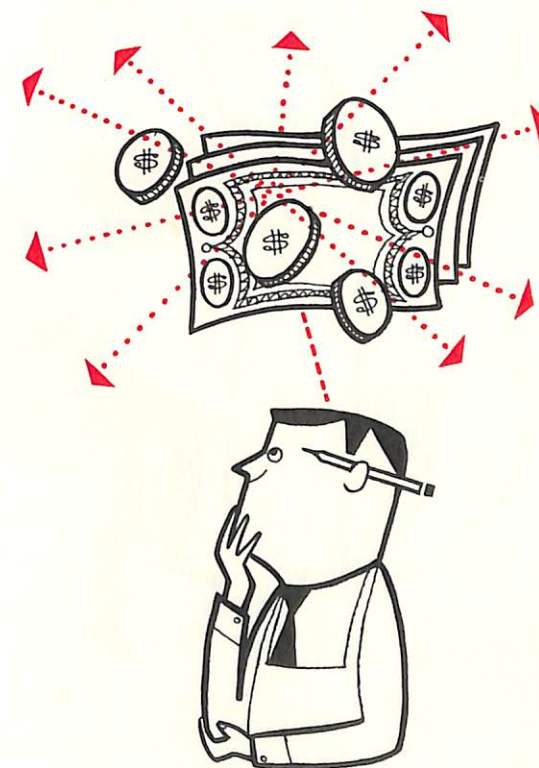
Fund B—A & P common stock purchased by your contributions

Fund C—A & P common stock purchased by Company contributions

The Trustee reinvests earnings from these investments, and your account receives the benefit of such earnings.

voting your stock

You have the right to give confidential instructions to the Trustee on how to vote the shares of stock credited to you.



7 How should I invest my savings?

The choice is entirely up to you. Government securities and common stocks are both commonly accepted forms of investment.

No one in the Company is authorized to make any recommendations to you concerning the selection of available investment options under the Plan. The purchase of securities involves an element of risk as market values may go down as well as up. You must make your own decision concerning the investment of your savings.



8 How do I know the value of my accounts?

Each year you will receive a statement from the Trustee showing the

- amount you have saved
- amount A & P has contributed for you
- current value of your account.

9 When do I receive payments?

You (or your beneficiary) will receive the total current value of your accounts in *all* Funds if you leave A & P

—because of retirement under a plan to which the Company contributes

or

—because of death

or

—because of total and permanent disability

or

—for any other reason and have at least 10 years of Plan membership

If you have less than 10 years in the Plan and leave for a reason other than those set forth above, you will receive the total current value of *your* savings. In addition, you will receive one of the following *percentages* of the total current value of A & P contributions on your behalf—

If you have:	you are entitled to:
less than 5 yrs. in Plan	0% of value of A & P contributions
5 but less than 6 yrs.	50% " " " " "
6 " " " 7 "	60% " " " " "
7 " " " 8 "	70% " " " " "
8 " " " 9 "	80% " " " " "
9 " " " 10 "	90% " " " " "
more than 10 yrs.	100% " " " " "

The value of any A & P contributions that are not vested will be used to offset future Company contributions.



10 How are payments made?

Payments representing government securities in *cash* and *full shares* of A & P stock due you plus the *cash* value of any fractional shares will be made unless you (or your beneficiary in case of death) elect to receive all payments due in cash.

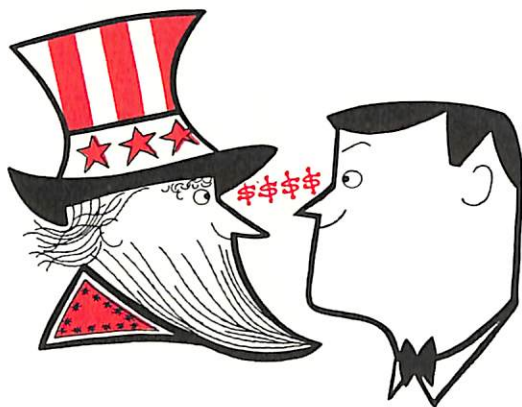
11 Can I withdraw from the plan?

A & P hopes you will find the Plan a profitable way to save and invest regularly, but it realizes that emergencies can arise. It is possible to make cash withdrawals or to suspend savings while still actively employed by A & P.

You can elect to *withdraw* the total current value of *your* savings by giving written notice to the Company, but in that event withdrawal of your total savings will be required. You cannot resume saving for at least one year from the effective date of your withdrawal and you will permanently lose the value of any Company contributions that are not vested in you (page 11). The value of A & P contributions that are vested will continue to be held for you with your share of earnings. The value of A & P contributions is payable only at termination of service, based on your vested rights.

You can give written notice to *suspend* your savings. In this event you cannot resume saving for at least one year from the effective date of your suspension. The value of Company contributions will not be forfeited in the case of suspensions without withdrawals.

If you are temporarily on the inactive list because of disability, leave of absence, layoff, part-time work, or military service, your payroll deductions will stop. If you wish, you may also withdraw the total current value of your savings as described above—but in this event unless you are on a leave of absence, you will not forfeit the value of any Company contributions and you can resume saving after three months. If your payroll deductions were suspended but you did not withdraw, you may resume savings in the first week of the fiscal month following your return to full-time service. If you continue on the inactive list (except for military service) for more than one year, however, you will be treated as a terminated employee for purposes of the Plan.



12 What about income taxes?

In the opinion of counsel for the Company, under present Federal income tax laws and regulations and so long as the Plan continues to be a “qualified” plan for Federal income tax purposes, members will not be taxable on Company contributions allocated to their accounts or on investment earnings on such contributions or investment earnings on their own savings at the time such contributions and investment earnings are received by the Trustee under the Plan. When a member receives a distribution of the total balance to his credit under the Plan which becomes payable because of his leaving the service of the Company, he will be taxed on the excess of the value of the stock and money distributed over his own net contributions to the Plan at the more favorable long-term capital gain tax rates. Furthermore, such a member can, in reporting his income for Federal tax purposes, treat as excludable from the amount otherwise taxable at that time, any “net unrealized appreciation” in Company stock distributed to him, the tax on any such excluded appreciation being payable when it is realized upon the subsequent sale of the stock.

The same basic tax rules apply to a total distribution made to a member’s beneficiary on account of the participant’s death. In addition, however, amounts otherwise taxable as long-term capital gain can be excluded from income up to \$5000, less any death benefits under other plans to which such exclusion is applied.

In the case of withdrawals while a member is still employed, there will be no tax until the total amount distributable to the participant exceeds his own contributions, but the excess over his own contributions will be taxed at ordinary income rates. He can, however, in reporting his income for Federal tax purposes, treat as excludable from the amount otherwise taxable at that time any “net unrealized appreciation” in Company stock attributable to his own contributions, postponing the payment of tax thereon until any such excluded appreciation is realized upon the subsequent sale of the stock.

13 Are there other important details?

plan expenses

The Company pays the cost of administering the Plan and compensates the Trustee. Other expenses, such as brokerage fees and transfer taxes, are charged to the Plan.

plan committee

A Thrift Plan Committee administers the Plan and adopts rules that apply uniformly to all members.

plan continuation

The Company hopes and expects to continue the Plan indefinitely, but reserves the right to change or discontinue it. If either should happen, however, your existing rights would not be adversely affected. As a matter of fact, no Company contributions can ever revert to the Company.

official documents

This booklet gives you the highlights of the A & P Employees' Thrift Plan. Actual Plan operation is governed by the official Plan text, a copy of which is included in your prospectus.

