

A portrait of Mrs. Victoria Widder, an African American woman with short, styled grey hair. She is smiling and looking directly at the camera. She is wearing a dark navy blue V-neck cable-knit sweater over a white collared shirt with gold buttons. She has large gold hoop earrings and a ring on her left hand. Her hands are on her hips. The background is a solid blue.

Mrs. Victoria Widder  
Pathmark Shopper

PORTRAITS OF PERSEVERANCE

THE GREAT ATLANTIC & PACIFIC TEA COMPANY 2009 ANNUAL REPORT

A MESSAGE FROM **CHRISTIAN HAUB**, EXECUTIVE CHAIRMAN



Dear Fellow Shareholders:

The last fiscal year has been very difficult for our Company as everyone has been affected by the worsening economic environment. We recognized early in 2009 that there would not be a quick recovery and the Company needed to change to adapt to the new market conditions. With rising unemployment, declining credit availability and increasing uncertainty about the economic recovery, consumers changed their spending behavior drastically and in a much more permanent way, which in turn severely impacted our business. Adding to this challenging environment has been the precipitous decline in retail prices due to a severe decline in producer prices and a heightened competitive atmosphere. Thus, considering this extremely challenging backdrop, the Company took proactive steps to meet the external challenges, address its performance issues and capture available opportunities to improve its strategic position.

## KEY STRATEGIC INITIATIVES

### NEW EQUITY AND DEBT FINANCINGS:

Most importantly, we secured vital new financing during last summer to ensure we had the financial resources we needed to manage through this recession. The Company's long-time shareholder, Tengelmann, invested an additional \$60 million and remains the single largest shareholder with ownership interest close to 40% while Yucaipa, who has been an investor in the Company since the Pathmark merger, invested an additional \$115 million and increased its ownership interest to close to 30%. This new investment agreement included the addition of two Board of Director seats nominated by Yucaipa. The investment was particularly significant in that it enabled A&P to strengthen its balance sheet, reduce its refinancing risks and provide liquidity enabling the Company to pursue its ongoing business strategy. By partnering with Yucaipa, one of North America's premier investors in our industry, the Company is now better positioned to withstand the effects of the challenging economic environment and realize strategic opportunities in the future.

### NEW LEADERSHIP:

In addition to the economic environment not being favorable, our business performance and trends necessitated a reevaluation of our leadership. It is never an easy decision to make a senior executive change, however, the Company's performance, in particular that of Pathmark, led to significant concerns amongst the Board and our two largest shareholders, and after careful consideration, it became necessary to recruit a new Chief Executive Officer to lead the Company going forward.

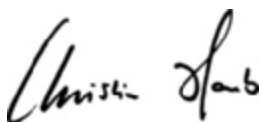
In the months prior to appointing our new CEO, I personally assumed the role and responsibilities in addition to my duties as Executive Chairman. At the time I took over as interim CEO, I knew that the Company needed significant support and guidance and I reached out to Ron Burkle at Yucaipa for his assistance. Very quickly, he assembled and dispatched a highly qualified team of professionals that helped enact many performance improvement initiatives including stabilizing our deteriorating business trends, enhancing our retail pricing and promotion approach, lowering our overall expenses and making sure we became more relevant to our customers again.

The appointment of Ron Marshall, as our new President and Chief Executive Officer in late January, was an exciting step forward for the Company. The extensive search process had presented a number of outstanding candidates and Ron emerged as the clear front runner and we are very pleased to have secured his services for our Company. Ron's superior skills and proven track record of successful turn-arounds as well as his extensive experience in the retail industry and specifically in food retail where he spent more than 12 years of his career in the highest levels of management fulfilled all our major search criteria. His leadership will be key in our turn-around and his appointment is putting the Company on the right trajectory for fiscal 2010 and beyond.

Last year, has undoubtedly been one of the most challenging economic environments we have experienced in many years and simply put, it is the passion of our associates which continues to allow this Company to make it through these hard times. In our over 150 years in business, A&P has had the pleasure of employing millions of hard working individuals who have always risen to any challenge thrown in their way and will do so again.

In closing, I would like to thank our Board of Directors, Tengelmann, Ron Burkle, Yucaipa and the Company's management and associates whose collective hard work and dedication over the last year has been critical. I am looking forward to realizing the full potential of our great Company and working together with Ron Marshall and his management team to reengage with our workforce collaboratively, including with our labor unions, to create significant shareholder value in the next several years.

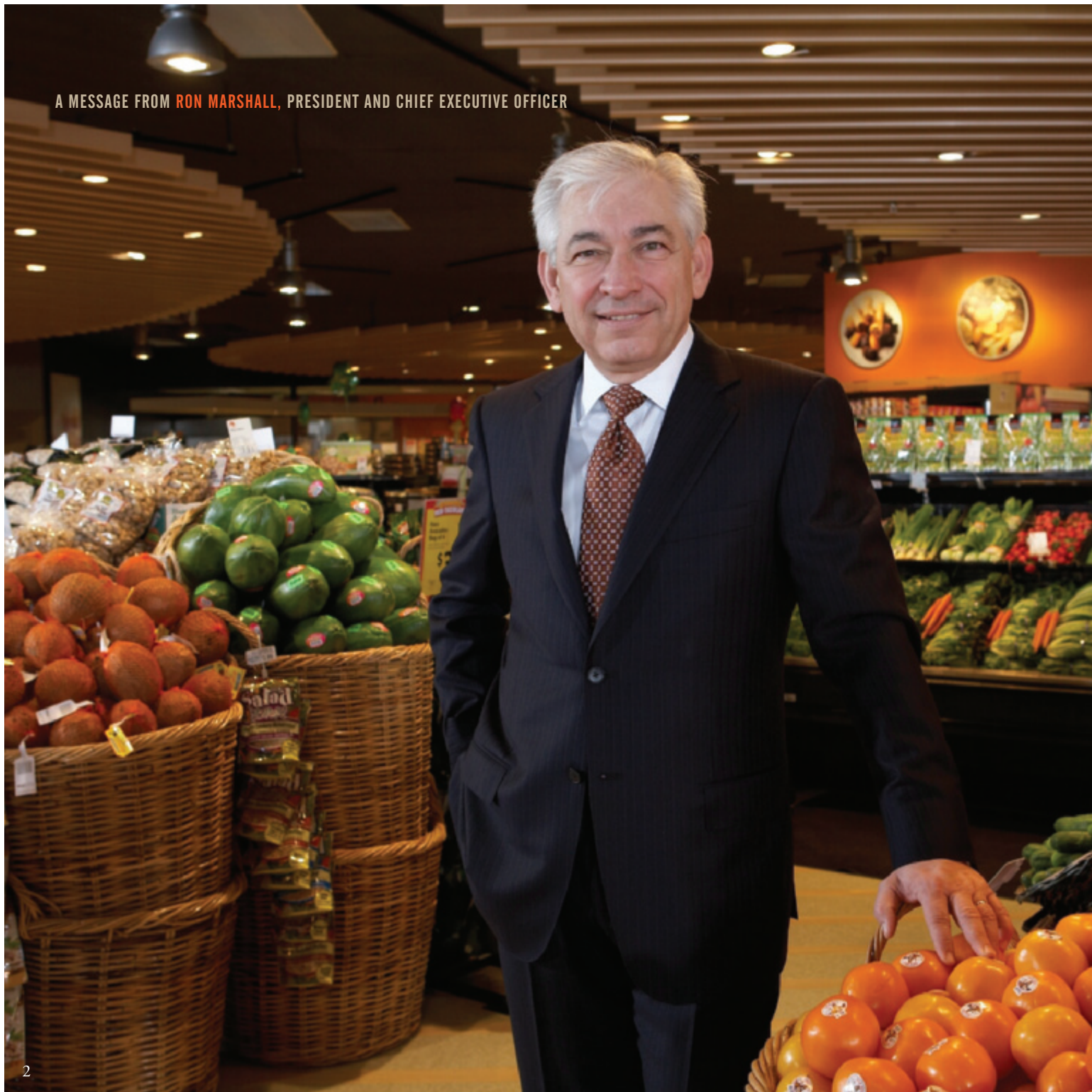
Sincerely,



Christian Haub  
Executive Chairman



A MESSAGE FROM **RON MARSHALL**, PRESIDENT AND CHIEF EXECUTIVE OFFICER



Dear Fellow Shareholders:

The past year was certainly a challenge, not just for our Company, but for the entire industry. However, upon joining The Great Atlantic & Pacific Tea Company, I conducted an in-depth review of the Company's overall condition and determined that the economy was not the only reason for our disappointing results. There are critical issues, which must, and will be addressed before we can achieve the success that our shareholders and associates deserve. Among these issues was the lack of clear brand identity in our principal banners, incomplete integration of the Pathmark acquisition, and additional opportunities for significant cost improvements, particularly in our supply chain.

While fixing these challenges will be neither quick nor easy, the fixes are attainable and the initiatives are in place today to provide us the path forward. The core elements of the path forward are:

- *Understanding that it's all about the customer,*
- *Developing the skills critical for success in today's competitive world,*
- *Making prudent reinvestments in our business,*
- *Reducing cost through a process of continuous improvement, and*
- *Transforming the culture of our Company.*

Our family of A&P brands covers the full spectrum of customer needs, from an aspirational brand like The Food Emporium to an extreme value format in Food Basics. To become a truly customer-centric grocer, we must do a much better job of crisply defining and communicating the value proposition that each banner represents. In addition to providing the outstanding service that our customers demand and ensuring the flawless execution that they deserve, we must also address the unique personalities of the communities that our stores serve. To that end, we are developing store clusters around consumer

attributes, allowing us to better engage our customers.

As an organization, and as individuals, we must ensure that we have all of the skills necessary for success. Clearly, we must have the expertise needed for our tasks. We must also have the process skills critical to ensure that when we begin a job, we finish it. But most importantly, we must have the experiential skills like maturity, perspective, resiliency and grit, that will see us through this journey.

A core element of value creation will be our ability to drive costs from our system. We must remain focused on our core businesses until we are assured that our turn-around is complete. It is critical we respect our Company's resources by ensuring all capital is spent wisely. Finally, we are committed to driving down operating and product costs through passionate commitment to continuous improvement. An example is the extensive review of best practices in our retail stores being completed as I write this letter. Once completed, these efficiencies will be embedded throughout our Company.

Perhaps my favorite advice is Peter Drucker's observation that "Culture eats strategy for breakfast." The greatest strategy poorly executed always fails. A good strategy flawlessly executed generally succeeds. To execute at levels that will assure our success, we clearly require each of the aforementioned skills. More is required, however. Individually, and as an organization, we must embody the most fundamental values of integrity, responsibility and mutual respect. We must each take personal responsibility for our own success and foster an environment that provides individual accountability for achievement. Finally, we must exhibit daily the managerial courage necessary to overcome the challenges inherent to our task.

There is much to do in the coming months, but with focus and commitment we will achieve our goals. I would like to take this opportunity to thank Christian and the Board of Directors for this exciting opportunity to return to my passion – grocery retail. I would also like to recognize the hard work and dedication of our associates, who, despite our disappointing results overall, have had several wins during the last year, including growing our private label portfolio -- and who, in these early days of transition, have recognized and embraced the need for change and improvement. I know that 2010 will be a challenging year as well, but together we can restore this Company to the position of leadership and strength that is the heritage of The Great Atlantic & Pacific Tea Company.

Sincerely,



Ron Marshall  
President and Chief Executive Officer



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## Simplicity

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“It matters not how simple the food – a chop, steak or a plain boiled or roast joint, but let it be of good quality and properly cooked, and everyone who partakes of it will enjoy it.”



- Alexis Soyer, 19th century French chef

*from The Modern Housewife (1851)*

FORMAT:FRESH

**“Our store is absolutely great. It’s always clean and kept up nicely and the employees are always happy to help in any way possible to really make us feel welcomed.”**

- Diane Byrne  
A&P Shopper



#### PORTRAIT: KEITH AND DIANE BYRNE, A&P FRESH CUSTOMERS

Quality Products and Service Define A&P. Long time A&P shoppers Keith and Diane Byrne, of Woodcliff Lake, NJ, have always relied on their local A&P store to give them the best quality products at great prices. Although the recession has caused many families to cut back on their spending and become more selective of the type of items they buy, Keith and Diane explained that because of A&P’s longstanding commitment to their customers, they haven’t had to change much about the way they shop. “We have always felt confident and relied on our A&P store, and luckily we really haven’t had to change much about the way we shop,” said Keith.



Best in Fresh - Simplified Savings. The Fresh format offers customers a true one-stop shopping experience with an expansive selection of fresh foods and quality groceries. A&P, SuperFresh and Waldbaum's stores provide a wide variety of fresh produce, breads, seafood, organic items, meats and more, at low prices. This format features increased availability of family size packs on hundreds of items, including family meals, at great values.

The redesigned Fresh stores host a breadth of specialty departments including shops-within-a-shop from an extensive produce department to a bakery section filled with a sumptuous array of delicious baked goods.



In addition to offering great prices on everyday products, A&P also provides its shoppers with a variety of ways to save. Diane explains, "A&P always has very good sales, promotions and coupons. I shop for my disabled sister who is on a fixed income, so having multiple ways to save on her overall bill is extremely important and helps stretch the budget."

Offering consistent low prices and coupons on a variety of products is just one aspect of what makes A&P such a reliable and dependable store.

A&P has always had a strong dedication to customer service and making sure that each shopper feels welcomed. "Our store is absolutely great," said Diane. "It's always clean and kept up nicely and the employees are always happy to help in anyway possible to really make us feel welcomed." Adds Keith, "We know the names of almost every department employee in our store because they make it a point to not only service their shoppers, but also take the extra steps to get to know the people who regularly shop in their store."



FORMAT: PATHMARK



**“I haven’t had to  
alter my meals  
or the way I shop  
very much in this  
economy because  
I have always  
used Pathmark  
coupons and have  
relied on them for  
many years...”**

- Victoria Widder  
Pathmark Shopper



#### PORTRAIT: VICTORIA WIDDER, PATHMARK SHOPPER

Victoria Widder of Central Islip, NY, has been a loyal Pathmark customer for many years. Although supermarkets have come and gone in her neighborhood, Victoria has always chosen to shop at her local Pathmark because she feels the prices are unbeatable!

The current economic recession has caused many families to change the way they eat, prepare meals and buy certain foods, however, Pathmark’s consistent low prices and coupons have continued to help our customers. “I haven’t had to alter my meals or the way I shop very much in this economy because I have always used Pathmark coupons and have relied on them for many



## Big Box Format and Value Appeal

Pathmark provides a wide selection of quality groceries, fresh produce, breads, seafood, meats and more, all at great prices. A grocery store unlike any other, customers save on thousands of items throughout the store. These stores boast a variety of value programs including Yellow Tag Savings and Deal Zones, allowing shoppers to maximize their spending while also getting high-quality products at low, affordable prices. Each week, customers find over 5,000 Yellow Tag price reductions throughout the store, as well as thousands of items on Price Hold, which retain the same great low price from week-to-week. Pathmark stores provide shoppers with savings on fresh foods such as meats and baked goods, as well as seafood through Pathmark's Catch of The Week program. This format truly makes grocery shopping easier and more affordable.



years," said Victoria. "When something is on sale, I just go and get what I need and make meals for my family according to that. I combine coupons and sales to get the best prices."

Pathmark provides its customers with a variety of ways to save everyday, from weekly circulars, to in-store discounts, to extra savings found on Pathmark.com. Pinching pennies and budgeting has become a big priority for many families, and now more than ever, shoppers are looking for extra ways to save. "I love the circulars," said

Victoria. "I can't wait for Wednesdays to come around each week because I know that's when I will be receiving Pathmark's circulars with great coupons. The circulars have coupons on so many products and they really cater to everyone!"

Pathmark's extensive line of own brand products have also become very popular among families during these hard economic times due to great prices on quality items. "I love America's Choice products," said Victoria. "AC products taste almost identical to those of national brands, but at a much lower price!"



## FORMAT: DISCOUNT



### PORTRAIT: JENNIFER ROBERTSON & FAMILY, FOOD BASICS SHOPPERS

While many shoppers have changed their buying habits during this tough economy, frequent Food Basics customer Jennifer Robertson has simply adjusted her shopping style. "Food Basics has great prices, which is important when shopping for a family, and I am able to feed my family for a very reasonable \$400 per month."

A longstanding America's Choice shopper, Jennifer loves the pastas and cereals, not to mention the great values

that come from this popular store brand line. "I'm definitely shopping on a tighter budget, but I always find great deals and I'm more strategic now in how I go about planning daily meals." As with many people, Jennifer's time is limited, and she doesn't usually have time for coupon clipping, but she finds that the pricing at Food Basics often doesn't even require the need for coupons.

During holiday times and special occasion meals, while

Jennifer has taken a more cost-conscious approach to shopping, Food Basics programs still allow her to make those special meals. "If I choose, I can still go all out for a special occasion, because Food Basics' pricing remains very good." Jennifer also cites her in-store experience during the past five years shopping at Food Basics as an important factor in making the trip to the store every other week a little easier.



# Food Basics

Lower Prices, Everyday

The Discount format offers the right store at the right time. The savings never stop at Food Basics with aisle after aisle of all the products customers need at unbelievable prices. Customers enjoy great values on fresh foods such as meats and baked goods, as well as national brand favorites and an extensive variety of private label brands, including America's Choice and Smart Price - all at phenomenal prices.

Compare Food Basics prices with our competitors and you will be amazed at the savings. Food Basics stores feature a bright, open layout with modern décor, including colorful artwork and signage to further enhance the overall experience for shoppers.



“While I have to be more strategic in shopping for foods and dinners that are affordable, my experience at Food Basics remains very easy and economical, and also enjoyable as I’m always greeted with friendly smiles from the staff. I feel like they all know me.”

A portrait of Randy Charlemagne, a man with short dark hair, wearing a dark suit, white shirt, and patterned tie. He is smiling and standing in a grocery store aisle. In the background, there are shelves stocked with various fruits, including red apples, green apples, and oranges. A basket of oranges is visible in the foreground to the right. The store has a warm, wooden interior.

FORMAT: GOURMET

## PORTRAIT: RANDY CHARLEMAGNE, THE FOOD EMPORIUM ASSOCIATE

Randy Charlemagne has been a valued associate of The Great Atlantic & Pacific Tea Company for 20 years. Having started his career as a part-time produce clerk, Randy's work ethic combined with his genuine commitment to servicing customers has moved him up through the ranks within the Company. For the past 9 years he has served as the Produce Manager at The Food Emporium. Randy is committed to making grocery shopping enjoyable and convenient for all customers. In this difficult economy, many shoppers are avoiding costly restaurants, replacing those expensive meals with more home cooked dinners and prepared meals such as the Meals2Go from The Food Emporium.

“Even though customers aren't eating out as much, they still want fresh, gourmet meals. When they come in and aren't sure what to make, we help by directing them to special sale items and offering tips on how to prepare a certain meal. If they already have a recipe or some idea of what they would like to make, we offer advice on other items to accompany the meals, such as side dishes and desserts. With our help, customers can learn how to prepare a delicious, home cooked meal, while also saving money!” Randy takes great pride in ensuring that all shoppers have a positive experience.



# The Food Emporium

The World's Finest Gourmet

The Gourmet format's extraordinary Food Emporium stores provide a dazzling array of exquisite custom-crafted culinary delicacies, premium private label products, fine teas and chocolates, fresh-baked breads, imported cheeses and much more. From leading national and international name brand groceries to everyday household goods – it is all at your neighborhood Food Emporium.

With 16 stores conveniently located throughout Manhattan, The Food Emporium name is synonymous with fine food, exceptional quality, service, taste and style. The greatest city in the world demands a world-class market with the convenience of a neighborhood supermarket and this format certainly delivers.



**“At The Food Emporium it’s our goal to bring delicacies from around the world right to our customer’s neighborhood store.”**

Hans Heer, Senior Vice President & General Manager, The Food Emporium



## FORMAT: BEST CELLARS

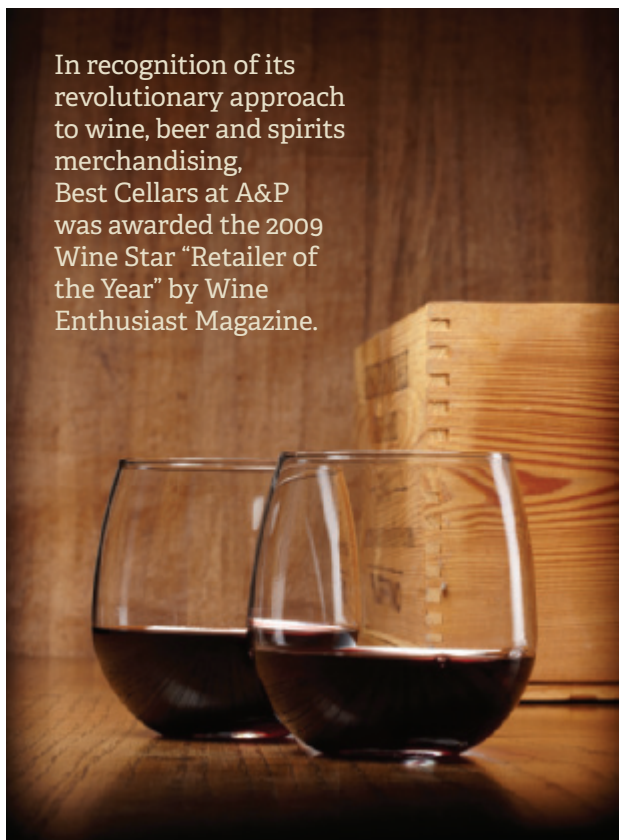


“Our Best Cellars at A&P stores feature an expert selection of great-tasting value-priced wines – usefully organized by taste – along with an outstanding array of beer and spirits. By creating a unique retail environment that both informs and entertains our customers, we’ve been able to make the process of shopping for wine, beer and spirits every bit as enjoyable as drinking them.”

Joshua Wesson  
Senior Director, Wine, Beer & Spirits



In recognition of its revolutionary approach to wine, beer and spirits merchandising, Best Cellars at A&P was awarded the 2009 Wine Star “Retailer of the Year” by Wine Enthusiast Magazine.



## Best Cellars at A&P

Best Cellars at A&P is a next-generation liquor store that takes shopping for wine, beer and spirits to a higher level. Unlike traditional retailers, the Best Cellars at A&P stores organize over 1,500 wines by taste, using easily understandable words such as “SOFT” for medium-bodied white wines and “SMOOTH” for medium-bodied red wines. Paired with complementary (and trademarked) icons and colors, and supported by a team of knowledgeable associates, this user-friendly retail concept creates a uniquely enjoyable experience for shoppers.

In recognition of its revolutionary approach to wine, beer and spirits merchandising, Best Cellars at A&P was awarded the 2009 Wine Star “Retailer of the Year” by Wine Enthusiast Magazine.

Founded in 1996, Best Cellars was acquired by The Great Atlantic & Pacific Tea Company in 2007 as a complement to the Company’s fresh food marketing strategy. Placing an emphasis on pairing wine, beer and spirits with food, Best Cellars at A&P has been a major success for the Company.





## PORTRAIT: PATTY STOFFEY-EDELMAN, AMERICA'S CHOICE SHOPPER

Patty, a working mother of three young, active boys, is a professional fitness trainer who is challenged with balancing her family, her job and the weekly household duties, such as grocery shopping.

“Budgets are tight for everyone today, but so is time, and I can't spend a great deal of time in the supermarket comparing prices and looking for deals. So, my family, especially my boys, have become big fans of America's Choice products.”

“With such a variety of products, I have really come to depend on the America's Choice brand, especially for things that my kids love, like peanut butter, frozen pizza, ice cream sandwiches and cheddar rice snacks. The quality of the products, combined with the consistently great values, enable me to purchase staples like canned vegetables, sugar, and so much more. It's also an easy process, I just look for the AC label, and it really helps shorten my shopping trip, which certainly helps on the home and work fronts.”

With a baby in tow, and two young boys actively in youth sports, Mrs. Stoffey-Edelman often must feed her kids on the run. “There are so many healthy food choices in the AC line, I can make a quick meal knowing that my kids are eating healthy foods, from a trusted brand.”



Due to its overwhelming popularity, the prized America's Choice brand was expanded in 2009 to include over 3,000 high quality food and grocery products. The brand not only added products but offered shoppers significant savings off of leading national brand equivalents. The America's Choice line, first introduced 25 years ago, offers consumers a wide range of products in over 135 categories which are the perfect solution for their everyday grocery and household needs. From fresh baked cookies and 100% natural orange juice to the tougher paper plates and cups they are served in, America's Choice consistently gives shoppers quality products across the aisle, at significantly lower prices.



# Private Label Makes It Big

From fresh to gourmet, all-natural to eco-friendly, the Company's private label program features brands that cater to customers seeking great products at the best values. In fact, since 1859, A&P has been a leader in offering high-quality, value-oriented private label grocery products starting with our first product, the largely popular Eight O'Clock Breakfast Coffee. And now more than ever when our shoppers are facing strained budgets, the Company has again risen to the challenge and expanded our vast private label offerings. Throughout 2009, the Company grew our innovative brand portfolio across all banner stores, including A&P, Pathmark, SuperFresh, Waldbaum's, The Food Emporium and Food Basics. Our expansive program, headlined by the Company's highly popular America's Choice brand, also includes such specialty brands as Smart Price, Green Way and Via Roma.

The Company's private label grocery program is one of the most diverse lines of products and goods available in the supermarket industry today. In fact, it is so dynamic that it was recognized as the 2009 Store Brand Retailer of the Year by Private Label Magazine. As one of only two companies awarded in the Supermarket Segment, Store Brand recognizes North American retailers for their noteworthy contributions to the growth of store brand products in the retail marketplace. Winners are nominated by readers of Private Label Magazine based on product innovations, packaging, marketing, merchandising and quality assurance.



VIA ROMA™

First launched in late December 2008, the Via Roma brand began with a delicious line of mini cannoli and Italian pastries, including a refrigerated at-home cannoli kit. This brand quickly became a favorite with the addition of Italian specialties from gourmet cookies, to extra virgin olive oil, pasta, cheeses, salami, flatbread and delectable sauces. The Via Roma line enables shoppers to create an authentic Italian meal at a fraction of the cost of a national brand.



GREEN WAY™



At a time when many grocery shoppers are sacrificing healthy, quality purchases for cost-effective solutions, while foregoing their eco efforts for non-sustainable savings – A&P came up with a solution that is “Good for YOU, the EARTH & Your WALLET.” The Green Way private label line features over 200 healthy, organic and eco-friendly products, designed to provide shoppers with a breadth of food and grocery items that are high-quality, affordable and eco-friendly.

From pasta and juices to fresh tomatoes - even home cleaning items - every product in the Green Way brand is made without the use of harmful pesticides, chemicals or artificial fertilizers. Other categories within the line include such items as whole wheat bread, organic baby carrots, extra virgin olive oil, salsa, sauces, canned tomatoes, breads, balsamic vinegar, dressings, vegetables and much more.

To complement this exciting new line of Green Way products, the Company also launched a collection of re-usable, all-natural cotton canvas bags, giving shoppers stylish, yet eco-friendly options that cater to the entire family in three different, trendy styles including a laundry bag, a canvas tote and a backpack for eco-minded students!

## Home Basics

## Food Basics

In 2010, the growth of our private label program continued with the addition of a value-oriented portfolio of foods under the 'Food Basics' brand and non-food line of products under the 'Home Basics' brand.



 **smart price**

Budget-conscious shoppers have made the Company's Smart Price product line a must-have. Encompassing the basics - from dairy, to laundry and paper products, this brand saves shoppers on the items they need the most. Easily recognizable in solid dark blue packaging, all product packages are fully bilingual (English/Spanish).

# Private Label Portfolio Penetration Grew To Nearly 17%

# A Year in Review

## Pathmark's Big Save

In May, Pathmark launched its special in-store two week event throughout all of the banner's 141 stores. In celebration, each store featured unbelievable savings throughout all departments. Customers saved BIG all over the store from special prices on bonus packs, to steals on the most wanted products in our wide selection of quality groceries, fresh produce, seafood, meats and more! The Big Save also offered shoppers a special Sweepstakes with four fantastic prizes including Two Panasonic Viera 50" Televisions, One Year of FREE Groceries and the ultimate Grand Prize, a Mini Cooper convertible car. This savings event was so well received it was back by popular demand in 2010!



## Paterson Food Basics Hosts 3rd Annual Family Festival

For the last several years, the Food Basics Family Festival has become a local favorite. Featuring a variety of Hispanic delicacies, music and activities for the whole family, the Festival took place in the parking lot of the Food Basics store located in Paterson, NJ. As part of the festivities, more than 50 vendors, including such famous brands as Goya, Cibao Meats, Dole, Kraft, Kellogg's and Café Bustelo joined the celebration and provided attendees with a delicious assortment of Hispanic delicacies including saffron flavored paella, succulent roast pork, authentic Spanish style salami and Queso Fresco.

The Festival also provided a variety of activities from the bungee run to a complimentary photo booth, enabling families and friends alike to snap a free picture at the memorable event. All the delicious food and entertainment makes this a must-attend event each year.

## BIG RED Grocery Giveaway Commemorates A&P's 150th Anniversary

To commemorate 150 years in business, the Company launched the BIG RED Grocery Giveaway, an exciting eight-week promotion that ran throughout the 241 participating A&P, SuperFresh, Waldbaum's stores, as well as The Food Emporium stores in Westchester and Connecticut. Exclusive to A&P's more than 3.6 million Club Card customers, shoppers had four big ways to play and win prizes and discounts, including Grocery Gift Cards, Shopping Sprees and FREE Groceries for a Year. Highlighting the promotion, three lucky shoppers drove away in their very own 2010 Ford Mustang Convertibles making it one of the most memorable events of the year!



# Our Customers are our most important asset

## The Coupons Keep Coming

Now more than ever, shoppers are looking for ways to ensure that their dollars stretch to meet the needs of their strained budgets. In 2009, our Company launched a comprehensive coupon portfolio of innovations that not only provided shoppers with more savings but more convenience as well. First, our Company partnered with Zavers, a pioneer in digital couponing, to launch the first paperless, “clipless” and completely digital coupon service available by a supermarket chain in the Metropolitan New York area. This service provides club card members at A&P, Pathmark, Waldbaum’s and SuperFresh with the ability to go online and simply save the coupons directly onto their club card. No paper, no scissors, no overstuffed wallet. The savings are automatically deducted off your shopping order once your club card is scanned at the checkout.

On the heels of announcing the “clipless” coupons, our Company shortly thereafter debuted the Rewards Online Mall, allowing club card members to earn rewards simply by making purchases at over 1,000 online retailers including eBay.com, Best Buy, Home Depot, Macy’s, Barnes and Noble, Travelocity, Staples, 1-800-FLOWERS and many more. For every purchase made, customers can receive an average of 3% back. Once the total reaches \$10, customers will receive a Rewards Certificate in the mail to be used towards their next in-store purchase at any A&P, Waldbaum’s, SuperFresh, The Food Emporium or Pathmark store. With so many online retailers participating in the Rewards Online Mall, customers can earn rewards fast!

To complement the portfolio of couponing programs, our Company also premiered an innovative new online coupon gallery available via its banner websites. This dynamic way to save more money while shopping for groceries was made available through A&P’s partnership with Coupons.com Incorporated, a leader in Internet printable coupons. Each of our banner websites features a special coupon gallery with hundreds of dollars of savings on all departments. The best part is that not only do customers save money but also time - this service is available anytime - just logon; browse your favorite gallery and press “clip” to print the coupons you want. Now saving money in the A&P family of supermarkets is easier than ever before.

## Shopping Guide

The Company kicked off the New Year with a new way for our customers to save more money. In January 2009, a dynamic new in-store shopping guide debuted that provides extra savings and valuable coupons. Now shoppers can save more money just by walking in our stores and picking up our special in-store guide which contains tremendous deals!





# Going Green(er)

Today, doing business well means more than just meeting the present needs of customers but it also means meeting the needs of the Earth. Sustainability suddenly seems to be all the rage for other companies but for The Great Atlantic & Pacific Tea Company it has long been a part of how we conduct ourselves. But what does being sustainable really mean? The Environmental Protection Agency states that the most widely used definition for sustainability is “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” This nicely sums up the way A&P has approached our efforts – using a holistic approach which encompasses all facets of our business from Retail Operations to Energy Management, every area is tasked with finding ways to do their work in the most eco-friendly way.

In fact, for the last couple of years A&P has had a cross-functional steering committee which concentrates on creating sustainable solutions for our Company and the communities we serve while providing our customers with products, information and incentives to enact environmental principles. The steering committee works off of a very clear mandate to identify best industry practices in each of their respective areas. Each member is responsible for recommending, implementing/measuring programs and developing sustainability guidelines for our business and our suppliers. In addition, they are required to partner with environmental non-government agencies, universities and like-minded organizations to achieve goals in their areas of responsibility. The results have been tremendous as A&P has been dedicated to making measurable improvements in all functions with a particular focus on sustainable packaging, fishing practices, local sourcing and innovation in organic and natural products.

As a sustainable Company, the creation of our Green Way private label brand was a natural evolution. From its eco-friendly line of paper products to organic pizza, pasta sauce, ketchup, and fresh produce - this brand stays true to its mission to deliver innovation with a commitment to sustainability and the Earth. Products are made in certified organic production facilities using local sources. In fact, all the Green Way cleaning products and laundry detergents are bio-degradable, non-toxic and are never tested on animals. When the brand was being developed, the team also reviewed ways to ensure that not only the products but the packaging were also sustainable. Through partnerships with our suppliers, Green Way seeks to use landfill-friendly and sustainable packaging. The brand's tagline truly sums up the identity of this brand, “Good for You, Good for the Earth.”

Our aquatic eco-system is at risk and its imperative that we work together to ensure that sustainable fishery sourcing practices are maintained. As such, the Company takes a precautionary approach to its seafood program and has voluntarily chosen not to sell North Atlantic Halibut; Blue Fin Tuna, Orange Roughy, Hoki; Sharks and Chilean Sea Bass. In addition, we have instituted a comprehensive associate training program which includes an extensive consumer education outreach.

One of the most recognizable sustainability programs the Company has developed is the Haub re-usable tote bags. Started in 2006, this program provides customers with monetary rewards for reusing these beautifully designed bags. However, they are not just an eco-friendly bag choice in themselves. They also support a bigger change. For each bag sold, proceeds go to the Elizabeth Haub Foundation which is an international, non-profit organization that supports legislation addressing environmental concerns. These designer bags also provide educational elements as they highlight endangered animals and plants. Quickly becoming a customer favorite, in the last three years over 4 million bags have been sold.

In addition to our Haub bags, our stores hold many green initiatives including plastic recycling facilities, and in New York, we have installed hundreds of bottle recycling machines. Our corporate offices also reflect our green efforts from our centrally controlled heating and cooling in all office areas, to the reprogramming of all photocopiers to automatically print on both sides of the paper. In fact, every associate has a recycle paper bin and each office is equipped with an automatic light switch set to turn off when no movement is detected.

For A&P, sustainability isn't just an initiative – it is the way we do business. It is our commitment to the Earth to keep finding environmentally-friendly ways to meet the needs of our valued customers.



**Over 4 million  
Elizabeth Haub bags  
have been sold since  
their introduction  
3 years ago.**

**Lighting /LED retrofits  
in stores are projected  
to save 7 million kWh  
annually,**

which is the equivalent  
of removing over 1,100 cars  
from the road.

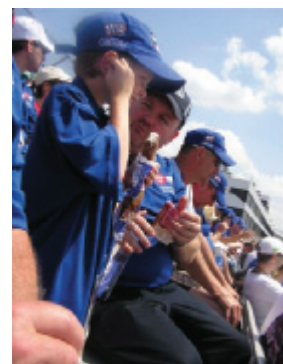






## Making The World A Better Place

At a time when everyone seems to be concentrating on the financial aspects of life, it is important that our Company not lose its passion and dedication for truly worthwhile causes which impact our most precious commodity – our children. Our commitment to the health and well-being of children has allowed us to become one of the most significant fundraising partners in our communities.





## ST. JUDE'S HOSPITAL

A&P's family of supermarkets is proud to bring hope to the spring season with its annual St. Jude's fundraiser. Each year, A&P partners with St. Jude Children's Research Hospital® for its Give thanks. Give hope. campaign. This program lasts throughout April and gives customers the opportunity to support St. Jude's. And while many people know what St. Jude's does, many don't realize how unique this hospital truly is. St. Jude's is internationally recognized for its pioneering work in finding cures and saving children with cancer and other catastrophic diseases. St. Jude's physicians and scientists have pioneered treatments that have helped push the overall survival rates for childhood cancers from less than 20 percent in 1962 to 80 percent today. No child is ever denied treatment because of a family's inability to pay, and the hospital pays for the food and lodging for the patient and one family member.

In addition to these significant partnerships, the Company also heavily supports the Children's Miracle Network, Children's Health Fund, Alex's Lemonade Stand and the Waldbaum's Junior Soccer League, as well as many other local children's charities.

## VARIETY THE CHILDREN'S CHARITY

Valentine's Day is the holiday to celebrate love which is precisely why Variety the Children's Charity chose this week to hold its annual "heart" register fundraiser throughout A&P's family of supermarkets in New York. For over 60 years, Variety the Children's Charity of New York has made a difference in the lives of children by supporting community-based, grassroots non-profit organizations in the New York Metropolitan area. Their assistance ranges from creating opportunities and hope for children in need to supporting life-changing surgeries.

For over six years, A&P has supported Variety's Annual Radiothon on WOR 710 AM hosted by "Cousin Brucie" donating special shopping sprees for auction. Cousin Brucie even accompanies the winners to our stores to help them shop during their two minute spree! So many children have benefited from Variety's assistance, many right in our own neighborhoods.

## MDA SHAMROCK CAMPAIGN & SUMMER CAMP

This year, Muscular Dystrophy Association (MDA) celebrated A&P's longstanding partnership with a uniquely-designed paint scheme for No. 27 Ford Fusion which participated in NASCAR's Nationwide Series race at Dover International Speedway. The car recognized our Company's commitment to MDA with the tagline "A partnership built to last" emblazoned on its hood.

A&P's ongoing sponsorship of MDA transcends well beyond the racetrack and includes taking part in many charitable initiatives annually, including the Shamrocks Against Dystrophy, the A&P MDA Charity Golf Classic and "Aisles of Smiles" Program. For over 20 years, A&P has worked tirelessly to support MDA's mission to fight neuromuscular diseases through research, medical and community services. During the weeks before St. Patrick's Day – our stores participate in MDA's signature "Shamrocks Against Dystrophy" campaign which A&P enhances with a variety of associate and customer incentives.

In addition, our stores support the "Aisles of Smiles" Program during the

month of August in which select items specially marked "Smile Items" provide a portion of sales to MDA. At the same time, customers can purchase "Camp Mobiles" which provide the necessary funds to send children with neuromuscular diseases to MDA Summer Camp. This camp provides children suffering from neuromuscular diseases a place where they can meet other kids and forget their daily fight and just have fun. These collective Company efforts have raised approximately \$1,300,000 in the last 12 months alone to aid in the fight against neuromuscular diseases.

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## AMERICAN RED CROSS HAITIAN RELIEF EFFORTS

The devastating earthquake disaster in Haiti deeply affected many of our own associates and valued customers whose family and friends in Haiti were impacted by this tragedy. Immediately, our Company put into place a comprehensive fundraising campaign to support the American Red Cross' efforts in Haiti. In addition to holding numerous fundraisers in the corporate offices from raffles to plant sales, the Company's 429 stores launched a special register fundraiser. In one week, the Company was able to raise over \$350,000 in support of the American Red Cross' aid to Haiti.





The Company's passion for people not only makes us the Northeast grocery leader, but also a leader in the community. In 2009, we raised over \$4 million in support of local, regional, national and international non-profit organizations to help improve the lives of our customers.

With the recession hitting everyone so hard, millions throughout the United States relied on non-profit organizations to help feed their families during this past year. As a grocery retailer, our Company is deeply concerned with the issue of hunger in our communities and supports a variety of organizations from town food lockers to state food banks. To help in the fight against hunger, the A&P family of supermarkets led the way in our own communities with a variety of special programs throughout the year.

One of these fundraisers was a unique program with City Harvest and Island Harvest for our annual Turkey and Trimmings Collection Campaign. This fundraiser was available from November 1<sup>st</sup> through December 24<sup>th</sup> and provided customers with an easy way to make a difference for a local neighbor who fell on hard times. For only \$7.50, a prepackaged box of Turkey and Trimmings including a variety of America's Choice products, were provided to City Harvest in New York City or Island Harvest in Long Island (depending on the store location) along with a turkey for a family in need. In addition, A&P donated 1,000 turkeys for the first 1,000 Trimmings Boxes sold. City Harvest and Island Harvest were also provided a portion of the proceeds from each box to help in their mission to fight hunger.

The Company was also able to raise an additional \$320,000 throughout the year with our "Check Out Hunger" campaign, which helps fight hunger and poverty by benefiting community food banks throughout the Northeast. This supports numerous local non-profit organizations including the Food Bank of NYC, the Food Bank of New Jersey, the Connecticut Food Bank, the Maryland Food Bank, the Food Bank for Westchester and many others!

This holiday season, A&P also made a special donation to Table to Table. A&P proudly presented its \$20,000 donation – right in time for Christmas. The donation included almost 5,000 lbs. of our "Smart Price" private label pasta, and thanks to the generosity of our vendor partners, the Company also donated over 15,000 lbs. of poultry. This donation enabled Table to Table to meet their 2009 goal of delivering enough food to serve over 6 million meals. Table to Table is a community-based food rescue program that collects prepared and perishable food and delivers it to organizations that serve the hungry in Bergen, Hudson, Essex and Passaic counties throughout New Jersey. Table to Table is the first and only food rescue program in Northeast New Jersey solely dedicated to redistributing prepared and perishable foods.



## OUR BOARD OF DIRECTORS

*main photo (from left to right)*

Christian Haub, *Board Member Since December 1991*

Andreas Guldin, *Board Member Since May 2007*

Bobbie Gaunt, *Board Member Since May 2001*

*top row (from left to right)*

Maureen Tart-Bezer, *Board Member Since May 2001*

Edward Lewis, *Board Member Since May 2000*

John Barline, *Board Member Since July 1996*

Terrence Wallock, *Board Member Since August 2009*

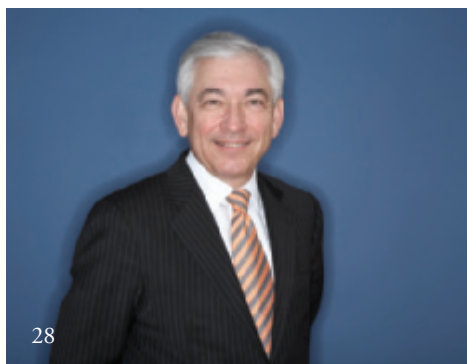
*bottom row (from left to right)*

Dan Kourkoumelis, *Board Member Since March 2000*

Greg Mays, *Board Member Since December 2007*

Jens-Juergen Boeckel, *Board Member Since April 2004*

Frederic Brace, *Board Member Since August 2009*





## OUR EXECUTIVE MANAGEMENT TEAM

*from left to right*

**Ron Marshall**  
President and Chief Executive Officer

**David Kelly**  
Senior Vice President, Real Estate

**Brenda Galgano**  
Senior Vice President,  
Chief Financial Officer  
and Treasurer

**Hans Heer**  
Senior Vice President &  
The Food Emporium General Manager

**Chris McGarry**  
Senior Vice President, General Counsel  
& Corporate Secretary

**Rebecca Philbert**  
Senior Vice President, Merchandising  
and Supply & Logistics



**Transfer Agent and Registrar:**  
American Stock Transfer and  
Trust Company  
59 Maiden Lane  
New York, NY 10038  
Telephone 1-800-937-5449  
www.amstock.com

**Stock Listing:**  
New York Stock Exchange  
Ticker Symbol: GAP

**Independent Registered  
Public Accounting Firm:**  
PricewaterhouseCoopers LLP  
400 Campus Drive  
P.O. Box 988  
Florham Park, NJ 07932

**Executive Address Office:**  
Two Paragon Drive  
Montvale, NJ 07645

**Safe Harbor Statement:**

This Annual Report contains forward-looking statements about the future performance of the Company, which are based on management's assumptions and beliefs in light of the information currently available to it.

The Company assumes no obligation to update the information contained herein. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements including, but not limited to: statements about the expected future business and financial performance of the Company; competitive practices and pricing in the food industry generally and particularly in the Company's principal markets; the Company's relationships with their employees and the terms of future collective bargaining agreements; the costs and other effects of legal and administrative cases and proceedings; the nature and extent of continued consolidation in the food industry; changes in the financial markets which may affect the Company's cost of capital and the ability of the Company to access capital; supply or quality control problems with the Company's vendors; and changes in economic conditions which affect the buying patterns of the Company's customers.

**Annual Stockholder Meeting:**

Date: Thursday, July 15, 2010  
Time: 9:00am (EDT)  
Location: The Woodcliff Lake Hilton  
200 Tice Boulevard  
Woodcliff Lake, NJ 07677

