UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended April 29, 1995

OR

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

For the Transition Period From ________ to ________

Commission file number 1-9930

THE PENN TRAFFIC COMPANY
(Exact name of registrant as specified in its charter)

Delaware	25-0716800
(State of incorporation)	(IRS Employer Identification No.)
1200 State Fair Boulevard, Syracuse, NY	13209
(Address of principal executive offices)	(Zip code)

(315) 453-7284
(Telephone number)

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 X . NO .

Common stock, par value $1.25 per share: 10,859,793 shares outstanding as of June 1, 1995

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE PENN TRAFFIC COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS
UNAUDITED

(All dollar amounts in thousands, except per share data)

<TABLE>
<CAPTION>

<S>	THIRTEEN WEEKS ENDED APRIL 29, 1995 <C>	THIRTEEN WEEKS ENDED APRIL 30, 1994 <C>
TOTAL REVENUES	$ 860,028	$ 809,961
COST AND OPERATING EXPENSES:		
Cost of sales (including buying and occupancy costs)	662,449	631,458
Selling and administrative expenses	164,222	145,112
OPERATING INCOME	33,357	33,391
Interest expense	33,034	29,024
INCOME BEFORE INCOME TAXES, EXTRAORDINARY ITEM AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	323	4,367
Provision for income taxes	194	2,111
INCOME BEFORE EXTRAORDINARY ITEM AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	129	2,256
Extraordinary item (net of tax benefit) (Note 4)		(2,276)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	129	(20)

Cumulative effect of change in accounting principle (net of tax benefit) (Note 6)		(5,790)
	------------	------------
NET INCOME (LOSS) APPLICABLE TO COMMON STOCK	$ 129	$ (5,810)
	============	============
PER SHARE DATA:		
Income before extraordinary item and cumulative effect of change in accounting principle	$ .01	$ .20
Extraordinary item		(.20)
Cumulative effect of change in accounting principle		(.52)
	------------	------------
Net income (loss)	$ .01	$ (.52)
	============	============
Average number of common shares outstanding	11,149,486	11,171,258
	============	============

</TABLE>

See Notes to Interim Consolidated Financial Statements.

THE PENN TRAFFIC COMPANY
CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

(All dollar amounts in thousands)	UNAUDITED APRIL 29, 1995	JANUARY 28, 1995
	-----------	-----------
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash and short-term investments	$ 47,108	$ 46,519
Accounts and notes receivable (less allowance for doubtful accounts of $2,061 and		

$1,374, respectively)	76,351	81,967
Inventories (Note 3)	393,161	385,968
Prepaid expenses and other current assets	12,542	10,913
Total Current Assets	529,162	525,367
NONCURRENT ASSETS:		
Capital leases - net	125,451	127,748
Property, plant and equipment - net	604,367	600,797
Intangible assets - net	449,202	451,897
Other assets and deferred charges - net	86,834	88,157
	$ 1,795,016	$ 1,793,966

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 4,146	$ 4,118
Current portion of obligations under capital leases	10,129	9,962
Trade accounts and drafts payable	221,426	209,890
Payroll and other accrued liabilities	71,548	79,434
Accrued interest expense	19,245	30,686
Payroll taxes and other taxes payable	20,518	19,582
Deferred income taxes	27,384	27,384
Total Current Liabilities	374,396	381,056
NONCURRENT LIABILITIES:		
Long-term debt	1,149,635	1,136,302
Obligations under capital leases	125,157	126,894
Deferred income taxes	73,598	73,598
Other noncurrent liabilities	39,074	43,189
Total Liabilities	1,761,860	1,761,039
SHAREHOLDERS' EQUITY:		
Preferred stock - authorized 10,000,000 shares at $1.00 par value; none issued		
Common stock - authorized 30,000,000 shares at $1.25 par value; 10,855,701 shares and 10,846,701 shares issued and outstanding, respectively	13,568	13,558
Capital in excess of par value	179,255	179,165
Retained deficit	(150,162)	(149,681)
Minimum pension liability adjustment	(356)	(356)
Unearned compensation	(9,149)	(9,759)
Total Shareholders' Equity	33,156	32,927
	$ 1,795,016	$ 1,793,966

</TABLE>

See Notes to Interim Consolidated Financial Statements.

THE PENN TRAFFIC COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
UNAUDITED

<TABLE>
<CAPTION>

(All dollar amounts in thousands)

<S>	THIRTEEN WEEKS ENDED APRIL 29, 1995 <C>	THIRTEEN WEEKS ENDED APRIL 30, 1994 <C>
OPERATING ACTIVITIES:		
Net income (loss)	$ 129	$ (5,810)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Cumulative effect of change in accounting principle		5,790
Depreciation and amortization	18,892	17,983
Amortization of intangibles	4,253	3,723
Other - net	(1,037)	(3,954)
Net change in assets and liabilities:		
Accounts receivable and prepaid expenses	3,300	(2,015)
Inventories	(7,193)	(2,244)
Accounts payable and accrued expenses	(6,855)	(35,820)
Deferred charges and other assets	358	1,915
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	11,847	(20,432)
INVESTING ACTIVITIES:		
Capital expenditures	(22,467)	(15,424)
Other - net	2	(226)
NET CASH (USED IN) INVESTING ACTIVITIES	(22,465)	(15,650)
FINANCING ACTIVITIES:		

Payments to settle long-term debt	(839)	(39,392)
Borrowing of revolver debt	173,600	107,400
Repayment of revolver debt	(159,400)	(68,500)
Reduction of capital lease obligations	(2,254)	(1,904)
Payment of debt issuance costs		(263)
Other - net	100	114
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	11,207	(2,545)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	589	(38,627)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	46,519	82,467
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 47,108	$ 43,840

</TABLE>

See Notes to Interim Consolidated Financial Statements.

THE PENN TRAFFIC COMPANY
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The results of operations for the interim periods are not necessarily an indication of results to be expected for the year. In the opinion of management, all adjustments necessary for a fair presentation of the results are included for the interim periods, and all such adjustments are normal and recurring. These unaudited interim financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Annual Report on Form 10-K for the fiscal year ended January 28, 1995.

Net income (loss) per share of common stock is based on the average number of shares of common stock outstanding during each period, after giving effect to preferred stock dividends. Fully diluted income per share is not presented for each of the periods since the reduction from primary income per share is less than three percent.

In January 1995, the Company acquired 45 supermarkets from American Stores Company formerly operating under the Acme trade name. Results for the quarter ended April 29, 1995 include results for 34 of these acquired Acme stores that the Company intends to continue to operate.

NOTE 2 - SUPPLEMENTAL FINANCIAL INFORMATION

(in thousands of dollars)

First Quarter, Fiscal 1996

Operating Income	$ 33,357
Depreciation and Amortization	23,145
LIFO Provision	0
Cash Interest Expense	31,964

First Quarter, Fiscal 1995

Operating Income	$ 33,391
Depreciation and Amortization	21,706
LIFO Provision	25
Cash Interest Expense	28,013

NOTE 3 - INVENTORIES

If the first-in, first-out (FIFO) method had been used by the Company, inventories would have been $17,145,000 higher than reported at both April 29, 1995 and January 28, 1995, respectively.

NOTE 4 - EXTRAORDINARY ITEM

During the first quarter of fiscal 1995, the Company had an extraordinary charge of $2.3 million (net of $1.6 million income tax benefit) related to the early retirement of debt.

NOTE 5 - INVESTMENT

EQUITY INTEREST IN THE GRAND UNION COMPANY

In July 1989, Penn Traffic through its limited partnership investment in Grand Acquisition Company, L.P. ("GAC, L.P."), acquired an indirect ownership interest in approximately 24.3% of the currently outstanding common stock of Grand Union Holdings Corporation (formerly named GND Holdings Corporation) ("Grand Union Holdings"), the corporate parent of The Grand Union Company ("Grand Union"). GAC, L.P. owns approximately 39% of the currently outstanding common equity of Holdings on a fully diluted basis. As of January 28, 1995, Penn Traffic's indirect ownership interest was 17.8% on a fully diluted basis.

The Company accounted for its investment in Grand Union under the equity method. The investment was recorded originally at a cost of $18,250,000. The carrying value of the investment was reduced to zero as of February 2, 1991.

On January 25, 1995, Grand Union filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court, District of Delaware (the "Bankruptcy Court"). On February 16, 1995, Grand Union Holdings filed a voluntary Chapter 11 petition in the Bankruptcy Court. Penn Traffic's equity interest in Grand Union Holdings became worthless as a result of these bankruptcy proceedings and, on March 24, 1995 Penn Traffic's limited partnership interest in GAC, L.P. was redeemed for nominal consideration.

NOTE 6 - CHANGE IN ACCOUNTING PRINCIPLE

Effective January 30, 1994, the Company adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112"). SFAS 112 requires employers to recognize the obligation to provide postemployment benefits on an accrual basis if certain conditions are met. The Company's postemployment benefits covered by SFAS 112 are primarily disability related claims covering indemnity and medical payments. The obligation for these claims is measured using actuarial techniques and assumptions including appropriate discount rates. The cumulative effect of the change in accounting principle determined as of January 30, 1994 reduced net income by $5.8 million (net of $4.1 million income tax benefit) in the fiscal year ended January 28, 1995.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THIRTEEN WEEKS ENDED APRIL 29, 1995 ("FIRST QUARTER FISCAL 1996") COMPARED TO THIRTEEN WEEKS ENDED APRIL 30, 1994 ("FIRST QUARTER FISCAL 1995")

The following table sets forth statement of operations components expressed as a percentage of total revenues for First Quarter Fiscal 1996 and First Quarter Fiscal 1995:

<TABLE>
<CAPTION>

	First Quarter Ended	
	April 29, 1995	April 30, 1994
<S>	<C>	<C>
Total revenues	100.0%	100.0%
Gross profit (1)	23.0	22.0
Selling and administrative expenses	19.1	17.9
Operating income	3.9	4.1
Interest expense	3.8	3.6
Income before income taxes, extraordinary item and cumulative effect of change in accounting principles	0.1	0.5
Net income (loss)	0.0	(0.7)

<FN>
(1) Total revenues less cost of sales.
</TABLE>

Total revenues for First Quarter Fiscal 1996 increased to $860.0 million from $810.0 million in First Quarter Fiscal 1995. The increase in total revenues is the result of the increase in retail supermarket sales resulting from the acquisition of 45 former Acme stores in January 1995. Results for First Quarter Fiscal 1996 include results for the 34 former Acme stores that the Company intends to continue to operate. Wholesale supermarket sales decreased in First Quarter Fiscal 1996 to $101.4 million from First Quarter Fiscal 1995 results of $109.2 million. Sales from retail supermarkets existing in both periods, "same store sales," decreased 1.6% in First Quarter Fiscal 1996.

In First Quarter Fiscal 1996, gross profit was $197.6 million compared to First Quarter Fiscal 1995 gross profit of $178.5 million, representing 23.0% and 22.0% of total revenues, respectively. The increase is due to lower product procurement costs combined with the relative increase in retail revenues as compared to wholesale revenues.

RESULTS OF OPERATIONS (CONTINUED)

Selling and administrative expenses for First Quarter Fiscal 1996 were $164.2 million compared with $145.1 million in First Quarter Fiscal 1995 representing 19.1% and 17.9% of total revenues, respectively. The increase in selling and administrative expenses as a percentage of total revenues primarily resulted from the relative increase in retail revenues compared to wholesale revenues and an increase in fixed and semi-variable expenses as a percentage of total revenues during a period of reduced same store sales.

Depreciation and amortization of $23.1 million in First Quarter Fiscal 1996 and $21.7 million in First Quarter Fiscal 1995 represented 2.7% of total revenues in both periods.

Operating income was $33.4 million in both periods representing 3.9% and 4.1% of total revenues in First Quarter Fiscal 1996 and First Quarter Fiscal 1995, respectively.

Interest expense for First Quarter Fiscal 1996 and First Quarter Fiscal 1995 was $33.0 million and $29.0 million, respectively. The increase is primarily the result of higher debt levels outstanding during First Quarter Fiscal 1996 as compared to First Quarter Fiscal 1995. The higher debt levels outstanding during First Quarter Fiscal 1996 are primarily the result of the acquisition of 45 stores from American Stores Company in January 1995.

Income before income taxes, extraordinary item, and the cumulative effect of a change in accounting principle was $.3 million for First Quarter Fiscal 1996, compared to $4.4 million for First Quarter Fiscal 1995. This decrease resulted from a combination of unchanged operating income and an increase in interest expense.

The income tax provision was $.2 million for First Quarter Fiscal 1996 compared to $2.1 million in First Quarter Fiscal 1995. The effective tax rates vary from the statutory rate due to differences between income for financial reporting and tax reporting purposes, primarily related to goodwill amortization resulting from prior acquisitions.

The $2.3 million extraordinary item (net of $1.6 million income tax benefit) in First Quarter Fiscal 1995 related to the early retirement of debt.

The Company adopted SFAS 112 in First Quarter Fiscal 1995. The cumulative effect of this change in accounting principle was a charge of $5.8 million (net of $4.1 million income tax benefit) (Note 6).

LIQUIDITY AND CAPITAL RESOURCES

Operating income was $33.4 million for both First Quarter Fiscal 1996 and First Quarter Fiscal 1995. Interest expense for First Quarter Fiscal 1996 was $33.0 million as compared to $29.0 million during First Quarter Fiscal 1995. Income before extraordinary item and the cumulative effect of a change in accounting principle for First Quarter Fiscal 1996 was $.1 million as compared to $2.3 million for First Quarter Fiscal 1995.

Payments of principal and interest on the Company's $1,154 million of long-term debt (excluding capital leases) will materially restrict Company funds available to finance capital expenditures and working capital. Principal payments of long-term debt of $3.3 million, $2.7 million and $2.2 million are due during the remainder of Fiscal 1996, Fiscal 1997 and Fiscal 1998, respectively.

As of April 29, 1995, the Company had a revolving credit facility (the "Revolving Credit Facility") which provided for borrowings of up to $225 million, subject to a borrowing base limitation measured by eligible inventory and accounts receivable of the Company. The Revolving Credit Facility matures in April 2000 and is secured by a pledge of the Company's inventory, accounts receivable and related assets. Total availability under the Revolving Credit Facility was $105.1 million at April 29, 1995. Effective May 10, 1995, the Revolving Credit Facility was amended to provide for borrowings of up to $250 million subject to the borrowing base limitation.

During First Quarter Fiscal 1996, the Company's internally generated funds from operations and amounts available under the Revolving Credit Facility provided sufficient liquidity to meet the Company's operating, capital expenditure and debt service needs.

The Company has entered into four interest rate swap agreements, each of which expires within the next three fiscal years, that effectively convert $155 million of its fixed rate borrowings into variable rate obligations. Under the terms of these agreements, the Company makes payments at variable rates which are based on LIBOR and receives payments at fixed interest rates. The net amount paid or received is included in interest expense.

Cash flows to meet the Company's requirements for operating, investing and financing activities in First Quarter Fiscal 1996 are reported in the Consolidated Statement of Cash Flows. For the 13-week period ended April 29, 1995, the Company experienced a positive cash flow from operating activities of $11.8 million.

Working capital increased by $10.5 million from January 28, 1995 to April 29, 1995.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

The Company is in compliance with all terms and restrictive covenants of its long-term debt agreements. The Company's debt agreements provide restrictive covenants on the payment of dividends to its shareholders. As of April 29, 1995, no dividend payments to its shareholders could have been made under the most restrictive of these limitations.

The Company expects to spend approximately $150 million on capital expenditures, including capital leases, during Fiscal 1996. The Company expects to finance such capital expenditures through internally generated cash flow, borrowings under the Revolving Credit Facility and new capital leases. Capital expenditures will be principally for new stores, replacement stores, remodels and a new distribution facility in Scranton, Pennsylvania. During First Quarter Fiscal 1996, the Company opened two replacement stores and completed four remodels. Eight replacement stores and four remodels were under construction or in progress as of April 29, 1995. Capital expenditures, including capital leases, were approximately $23.2 million for First Quarter Fiscal 1996.

PART II. OTHER INFORMATION

All items which are not applicable or to which the answer is negative have been omitted from this report.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The Company's Annual Meeting of Stockholders was held on June 7, 1995. At the Annual Meeting, three directors were elected to serve for three-year terms on the Company's Board of Directors by the following votes:

<TABLE>
<CAPTION>

	FOR	WITHHELD

John T. Dixon	9,776,890	38,235
Gary D. Hirsch	9,776,767	38,359
Richard D. Segal	9,777,366	37,760

At the Annual Meeting, the selection of Price Waterhouse as auditors for the Company for Fiscal 1996 was ratified by a vote of 9,806,155 shares in favor and 8,362 shares opposed. A total of 609 shares abstained from voting.

ITEM 5. OTHER INFORMATION

Mr. Joseph J. McCaig, President and Chief Executive Officer of The Grand Union Company ("Grand Union"), has resigned from the Board of Directors of the Company, effective May 31, 1995. Until March 1995, Penn Traffic held an indirect minority ownership interest in Grand Union.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit Number	Description
10.9 I	Amendment No. 8, dated as of November 4, 1994, to the Loan and Security Agreement.
10.9 J	Amendment No. 9, dated as of May 10, 1995, to the Loan and Security Agreement.
27.1	Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the fiscal quarter ended April 29, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PENN TRAFFIC COMPANY

June 13, 1995	/s/- John T. Dixon ----------------------------- By: John T. Dixon (President and Chief Executive Officer, and Director)
June 13, 1995	/s/- Eugene R. Sunderhaft ----------------------------- By: Eugene R. Sunderhaft (Senior Vice President and Secretary - Principal Financial Officer and Principal Accounting Officer)

AMENDMENT NO. 8 TO
LOAN AND SECURITY AGREEMENT

AMENDMENT NO. 8, dated as of November 4, 1994 (this "AMENDMENT") to that certain Loan and Security Agreement dated as of March 5, 1993, as amended by Amendment Nos. 1, 2, 3, 4, 5, 6 and as further amended by a certain Consent and Amendment to Loan and Security Agreement dated September 29, 1994 (hereinafter "Amendment No. 7") (collectively the "LOAN AGREEMENT") among THE PENN TRAFFIC COMPANY ("PENN TRAFFIC"), DAIRY DELL, BIG M SUPERMARKETS, INC., and PENNY CURTISS BAKING COMPANY, INC. (individually a "BORROWER" and collectively the "BORROWERS"), the Lenders listed therein (collectively the "LENDERS") and NATWEST USA CREDIT CORP., as Agent for the Lenders (in such capacity, the "AGENT"), is made by, between and among the Borrowers, the Agent, and the Lenders parties hereto.

Capitalized terms used herein, except as otherwise defined herein, shall have the meanings given to such terms in the Loan Agreement.

- - - - - - - - - -

WHEREAS, both the Maximum Revolving Credit Line and the amount of the Total Facility has been further increased from $200,000,000 to $225,000,000 as a result of the Borrowers' compliance with and the satisfaction of the conditions to the effectiveness of sections 1(a)(ii) and (iii) of Amendment No. 6 and

WHEREAS, Mitsubishi Trust and Banking Corporation, a current Lender (Mitsubishi), and NWCC, a current Lender, have committed to increase the amount of each of their Commitments and to changes in their Pro-Rata Shares.

WHEREAS, as a result of the increase in the Maximum Credit Line and the amount of the Total Facility and certain transfers by current Lenders of all or a portion of their interests as Lenders to other current Lenders, changes are required to be made in the Commitments and Pro-Rata Shares of all of the Lenders.

WHEREAS, the Borrowers, the Agent and the current Lenders have agreed to amend the Loan Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. COMMITMENTS AND PRO RATA SHARES. Mitsubishi and NWCC hereby increase each of their respective Commitment and consent to the changes in their Pro-Rata Share as Lenders under the Loan Agreement to the extent set forth

opposite each of their signatures to this Amendment. On and after the date of this Amendment, the Commitments and Pro Rata Shares of all Lenders (including Mitsubishi and NWCC) shall be as set forth opposite each of their signatures to this Amendment.

2. REPRESENTATIONS AND WARRANTIES. As an inducement to the Agent and the current Lenders to enter into this Amendment, each of the Borrowers hereby represents and warrants to the Agent and such Lenders and agrees with the Agent and such Lenders as follows:

(a) It has the power and authority to enter into this Amendment, has taken all corporate action required to authorize its execution, delivery, and performance of this Amendment. This Amendment has been duly executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms. The execution, delivery, and performance of this Amendment will not violate its certificate of incorporation or by-laws or any agreement or legal requirements binding upon it.

(b) As of the date hereof and after giving effect to the terms of this Amendment: (i) the Loan Agreement is in full force and effect and constitutes a binding obligation of the Borrowers, enforceable against the Borrowers and owing in accordance with its terms; (ii) the Obligations are due and owing by the Borrowers in accordance with their terms; and (iii) Borrowers have no defense to or setoff, counterclaim, or claim against payment of the Obligations and enforcement of the Loan Documents based upon a fact or circumstance existing or occurring on or prior to the date hereof.

3. NO IMPLIED AMENDMENTS. Except as expressly provided herein, the Loan Agreement and the other Loan Documents are not amended or otherwise affected in any way by this Amendment.

4. ENTIRE AGREEMENT; MODIFICATIONS; BINDING EFFECT. This Amendment constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior oral or written understandings about such matter. Each of the Borrowers confirms that, in entering into this Amendment, it did not rely upon any agreement, representation, or warranty by the Agent or any Lender except those expressly set forth herein. No modification, recision, waiver, release, or amendment of any provision of this Amendment may be made except by a written agreement signed by the parties hereto. The provisions of this Amendment are binding upon and inure to the benefit of the representatives, successors, and assigns of the parties hereto; provided, however, that no interest herein or obligation hereunder may be assigned by any Borrower without the prior written consent of the Required Lenders.

5. EFFECTIVE DATE. This Agreement shall become effective when executed by the Borrowers and such number of Lenders as shall constitute the amount of Required Lenders.

6. SEVERABILITY. If any provision of this Amendment is prohibited or invalid, under applicable law, it is ineffective only to such extent, without invalidating the remainder of this Amendment.

7. COUNTERPARTS. This Amendment may be executed in any number of counterparts, and by each party in separate counterparts, each of which is an original, but all of which shall together constitute one and the same agreement.

8. GOVERNING LAW. This Amendment is deemed to have been made in the State of New York and is governed by and interpreted in accordance with the laws of such state, provided that no doctrine of choice of law (except as may be applicable under the UCC with respect to the Security Interest) shall be used to apply the laws of any other state or jurisdiction.

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

BORROWERS:

THE PENN TRAFFIC COMPANY

By:/s/

Title:

DAIRY DELL

By:/s/

Title:

BIG M SUPERMARKETS, INC.

By:/s/

Title:

PENNY CURTISS BAKING

COMPANY, INC.

By:/s/

Title:

LENDERS:

Commitment: $50,000,000
Pro-Rata Share: 22.222224%
Lending
Office: 175 Water Street
New York, NY 10038

NATWEST USA CREDIT CORP.

By:/s/

Title:

Commitment: $20,000,000
Pro-Rata Share: 8.888889%
Lending
Office: Empire Tower-Suite 1540
350 Main Street
Buffalo, NY 14202

NATIONAL BANK OF CANADA

By:/s/

Title:

Commitment: $20,000,000
Pro-Rata Share: 8.888889%
Lending
Office: Two World Trade Center
79th Fl.
New York, NY 10048

FUJI BANK, LTD.

By:/s/

Title:

Commitment: $30,000,000
Pro-Rata Share: 13.333333%
Lending
Office: One South Wacker Drive
Suite 2800
Chicago, IL 60606

SANWA BUSINESS CREDIT
CORPORATION

By:/s/

Title:

Commitment: $30,000,000
Pro-Rata Share: 13.333333%
Lending
Office: 40 East 52nd Street
Second Fl.
New York, NY 10022

BANKAMERICA BUSINESS CREDIT, INC.

By:/s/

Title:

Commitment: $25,000,000
Pro-Rata Share: 11.111111%
Lending
Office: 101 Park Avenue
12th Fl.
New York, NY 10178

HELLER FINANCIAL, INC.

By:/s/

Title:

Commitment: $10,000,000
Pro-Rata Share: 4.444444%
Lending
Office: One State Street
9th Fl.
New York, NY 10004

IBJ SCHRODER

By:/s/

Title:

Commitment: $10,000,000
Pro-Rata Share: 4.444444%
Lending
Office: 499 Thornalle Street
9th Fl.
Edison, NJ 08837

MIDLANTIC NATIONAL BANK

By:/s/

Title:

Commitment: $30,000,000
Pro-Rata Share: 13.333333%
Lending
Office: 520 Madison Avenue
25th Fl.
New York, NY 10022

MITSUBISHI TRUST AND BANKING CORPORATION

By:/s/

Title:

AGENT:

NATWEST USA CREDIT CORP.,
As Agent

By:/s/

Title:

AMENDMENT NO. 9 TO
LOAN AND SECURITY AGREEMENT

AMENDMENT NO. 9, dated as of May 10, 1995 (this "AMENDMENT") to that certain Loan and Security Agreement dated as of March 5, 1993, as amended by Amendment Nos. 1, 2, 3, 4, 5, 6, 7 and 8 (collectively, the "LOAN AGREEMENT") among THE PENN TRAFFIC COMPANY ("Penn Traffic"), DAIRY DELL, BIG M SUPERMARKETS, INC. and PENNY CURTISS BAKING COMPANY, INC. (individually, each a "BORROWER" and collectively, the "BORROWERS"), the Lenders listed therein (collectively, the "LENDERS") and NATWEST USA CREDIT CORP., as Agent for the Lenders (in such capacity, the "AGENT"), is made by, between and among the Borrowers, the Agent, and the Lenders. Capitalized terms used herein, except as otherwise defined herein, shall have the meanings given to such terms in the Loan Agreement.

WHEREAS, the Borrowers have requested that the Agent and the Lenders: (1) increase the Maximum Revolving Credit Line; (2) change the advance rate with respect to advances against Inventory and (3) make certain other amendments to the Loan Agreement.

WHEREAS, the Borrowers, the Agent and the Lenders have agreed to amend the Loan Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. AMENDMENTS TO LOAN AGREEMENT. The Loan Agreement is hereby amended as of the effective date hereof as follows:

(a) The definition of "BORROWING CAPACITY" in Section 1 of the Loan Agreement is hereby amended by deleting the words "sixty percent (60%)" and by substituting, in lieu thereof, the words "sixty-five percent (65%)."

(b) The definition of "MAXIMUM REVOLVING CREDIT LINE" in Section 1 of the Loan Agreement is hereby amended to read as follows:

"MAXIMUM REVOLVING CREDIT LINE: means $250,000,000, or the lesser amount to which the Borrowers have reduced the Maximum Revolving Credit Line in accordance with Section 2.2(b)."

(c) The definition of "PENN TRAFFIC SUBORDINATED NOTES" in Section 1 of the Loan Agreement is hereby amended to read as follows:

"Penn Traffic Subordinated Notes" means the 9-5/8% Senior Subordinated

Notes of Penn Traffic due 2005 issued in connection with the Merger."

(d) The definition of "SENIOR NOTES" in Section 1 of the Loan Agreement is hereby amended to read as follows:

"Senior Notes" means, collectively, the 11-1/2% Senior Notes of Penn Traffic due 2001, the 10-1/4% Senior Notes of Penn Traffic due 2002, the 8-5/8% Senior Notes of Penn Traffic due 2003, the 10-3/8% Senior Notes of Penn Traffic due 2004, and the 10.65% Senior Notes of Penn Traffic due 2004."

(e) The definition of "SUBORDINATED NOTES" in Section 1 of the Loan Agreement is hereby amended to read as follows:

"Subordinated Notes' means the Penn Traffic Subordinated Notes."

(f) The definition of "TOTAL FACILITY" contained in Section 2.1 shall be amended as follows: The first sentence of Section 2.1 is amended by replacing the amount "$225,000,000" appearing in the first sentence thereof with the amount "$250,000,000."

(g) Section 8.2(f) shall be amended by deleting the words "Prior to the beginning of each Fiscal Year," and by substituting, in lieu thereof, the words "Within thirty (30) days after the beginning of each Fiscal Year,"

(h) Section 13.11 shall be amended by deleting the reference to "Anderson Kill Olick & Oshinsky, P.C., 666 Third Avenue, New York, New York 10017, Attention: Melvin S. Slade, Esq." and by substituting, in lieu thereof:

"Kaye, Scholer, Fierman, Hays & Handler
425 Park Avenue
New York, New York 10022
Attention: Albert M. Fenster, Esq."

(i) The Commitments of the Lenders shall reflect the amounts and percentages set forth on Schedule A to this Amendment.

2. INCREASED LINE FEE. In the event that Section 1(ii) becomes effective the Borrowers jointly and severally agree to pay an Increased Line Fee to the New Lender (as defined in Section 6(i) of this Amendment) in such amount as the Borrowers and the New Lender shall agree.

3. REPRESENTATIONS AND WARRANTIES. As an inducement to the Agent and the Lenders to enter into this Amendment, each of the Borrowers hereby represents

and warrants to the Agent and the Lenders and agrees with the Agent and the Lenders as follows:

(1) It has the power and authority to enter into this Amendment and has taken all corporate action required to authorize its execution, delivery, and performance of this Amendment. This Amendment has been duly executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms. The execution, delivery, and performance of this Amendment will not violate its certificate of incorporation or by-laws or any agreement or legal requirements binding upon it.

(2) As of the date hereof and after giving effect to the terms of this Amendment: (i) the Loan Agreement is in full force and effect and constitutes a binding obligation of the Borrowers, enforceable against the Borrowers and owing in accordance with its terms; (ii) the Obligations are due and owing by the Borrowers in accordance with their terms; and (iii) Borrowers have no defense to or setoff, counterclaim, or claim against payment of the Obligations and enforcement of the Loan Documents based upon a fact or circumstance existing or occurring on or prior to the date hereof.

(3) The Obligations under the Loan Agreement as amended by this Amendment constitute "Senior Indebtedness" as defined under the indentures relating to the Senior Notes and to the Subordinated Notes.

4. NO IMPLIED AMENDMENTS. Except as expressly provided herein, the Loan Agreement and the other Loan Documents are not amended or otherwise affected in any way by this Amendment.

5. ENTIRE AGREEMENT; MODIFICATIONS; BINDING EFFECT. This Amendment constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior oral or written understandings about such matter. Each of the Borrowers confirms that, in entering into this Amendment, it did not rely upon any agreement, representation, or warranty by the Agent or any Lender except those expressly set forth herein. No modification, rescission, waiver, release, or amendment of any provision of this Amendment may be made except by a written agreement signed by the parties hereto. The provisions of this Amendment are binding upon and inure to the benefit of the representatives, successors, and assigns of the parties hereto; provided, however, that no interest herein or obligation hereunder may be assigned by any Borrower without the prior written consent of the Required Lenders.

6. EFFECTIVE DATE. This Agreement shall become effective upon compliance with the conditions set forth immediately below:

(a) The Agent has been able to obtain commitments in writing from one or more Lenders or New Lenders (collectively, the "New Lender"), aggregating $25,000,000 (provided that the minimum commitment of each New Lender shall be no less than $10,000,000) and such New Lender shall agree to be bound as a Lender under the Loan Agreement pursuant to an agreement (the "New Lender Agreement") substantially in the form of Exhibit A attached hereto.

(b) No Event or Event of Default shall have occurred and there shall have been no material adverse change in the business or financial condition of any of the Borrowers.

(c) The Borrowers shall deliver to the Agent for the benefit of the Lenders an opinion of Borrowers'

counsel in form and substance satisfactory to the Agent and its counsel (which opinion shall cover such matters as the Agent may reasonably request, including a statement that the Obligations under the Loan Agreement as amended by this Amendment constitute "Senior Indebtedness" as defined under the indentures relating to the Senior Notes and to the Subordinated Notes).

(d) The Borrowers shall deliver to the Agent a certificate of the Borrowers' Chief Executive or Chief Operating Officer with respect to Section (ii) above and such other instruments and documents as the Agent or any Lender shall reasonably request.

(e) The execution and delivery of (i) replacement Revolving Credit Notes in the form of Exhibit C to the Loan Agreement in substitution for the existing Revolving Credit Notes of the Lenders and reflecting the Commitments of each Lender as set forth on Schedule A to this Amendment; (ii) additional Revolving Credit Notes in the form of Exhibit C to the Loan Agreement to the committing New Lender in the amount of $25,000,000 and (iii) replacement Revolving Credit Notes from Dairy Dell in favor of each of the Lenders (including the New Lender), such replacement Revolving Credit Notes aggregating $500,000.

(f) The Agent shall have received an original counterpart of this Amendment, duly executed and delivered by the Borrowers and all of the Lenders.

(g) The Borrowers and the New Lender shall have agreed to an Increased Line Fee as proposed in Section 2 of this Amendment.

7. COUNTERPARTS. This Amendment may be executed in any number of counterparts, and by each party in separate counterparts, each of which is an

original, but all of which shall together constitute one and the same agreement.

8. GOVERNING LAW. This Amendment is deemed to have been made in the State of New York and is governed by and interpreted in accordance with the laws of such state, provided that no doctrine of choice of law (except as may be applicable under the UCC with respect to the Security Interest) shall be used to apply the laws of any other state or jurisdiction.

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

BORROWERS:

THE PENN TRAFFIC COMPANY

By:/s/

Title:

DAIRY DELL

By:/s/

Title:

BIG M SUPERMARKETS, INC.

By:/s/

Title:

PENNY CURTISS BAKING COMPANY, INC.

By:/s/

Title:

LENDERS:

Commitment: $35,000,000
Pro-Rata Share: 14%
Lending Office:
175 Water Street
New York, New York 10038

NATWEST USA CREDIT CORP.

By:/s/

Title:

Commitment: $20,000,000
Pro-Rata Share: 8%
Lending Office:
Main Place Tower
Suite 2540
350 Main Street
Buffalo, New York 14202

NATIONAL BANK OF CANADA

By:/s/

Title:

Commitment: $20,000,000
Pro-Rata Share: 8%
Lending Office:
Two World Trade Center
79th Fl.
New York, New York 10048

FUJI BANK, LTD.

By:/s/

Title:

Commitment: $30,000,000
Pro-Rata Share: 12%
Lending Office:
One South Wacker Drive
Suite 2800
Chicago, IL 60606

SANWA BUSINESS CREDIT CORPORATION

By:/s/

Title:

Commitment: $30,000,000 Pro-Rata Share: 12% Lending Office: 40 East 52nd Street Second Fl. New York, New York 10022	BANKAMERICA BUSINESS CREDIT, INC. By:/s/ ------------------------ Title:

Commitment: $25,000,000 Pro-Rata Share: 10% Lending Office: 101 Park Avenue, 12th Fl. New York, New York 10178	HELLER FINANCIAL, INC. By:/s/ ------------------------ Title:
Commitment: $10,000,000 Pro-Rata Share: 4% Lending Office: One State Street 9th Fl. New York, New York 10004	IBJ SCHRODER BANK & TRUST COMPANY By:/s/ ------------------------ Title:
Commitment: $10,000,000 Pro-Rata Share: 4% Lending Office: 499 Thornalle Street 9th Fl. Edison, New Jersey 08837	MIDLANTIC BANK N.A. (formerly known as Midlantic National Bank) By:/s/ ------------------------ Title:
Commitment: $30,000,000 Pro-Rata Share: 12% Lending Office: 520 Madison Avenue 25th Fl. New York, NY 10022	MITSUBISHI TRUST AND BANKING CORPORATION By:/s/

Title:

Commitment: $15,000,000
Pro-Rata Share: 6%
Lending Office:
One State Street
9th Fl.
New York, New York 10004

INDUSTRIAL BANK OF JAPAN, LIMITED, New York Branch

By:/s/

Title:

AGENT

NATWEST USA CREDIT CORP.,
As Agent

By:/s/

Title:

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
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