

SECURITIES AND EXCHANGE COMMISSION

FORM 424B1

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FILER

GREAT ATLANTIC & PACIFIC TEA CO INC

CIK: **43300** | IRS No.: **131890974** | State of Incorporation: **MD** | Fiscal Year End: **0228**
Type: **424B1** | Act: **33** | File No.: **033-50725** | Film No.: **94500798**
SIC: **5411** Grocery stores

Mailing Address
*2 PARAGON DRIVE
MONTVALE NJ 07645*

Business Address
*2 PARAGON DR
MONTVALE NJ 07645
2015739700*

PROSPECTUS

\$200,000,000

LOGO

THE GREAT ATLANTIC & PACIFIC TEA COMPANY, INC.

7.70% SENIOR NOTES DUE 2004

Interest on the Notes is payable semi-annually on January 15 and July 15, commencing July 15, 1994. The Notes will bear interest at the rate of 7.70% per annum and will mature on January 15, 2004. The Notes are not redeemable prior to maturity and do not have the benefit of a sinking fund. The Notes will be unsecured and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company.

The Notes will be issued in fully registered book-entry form in minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof. A global note representing the Notes will be registered in the name of a nominee of The Depository Trust Company, which will act as depository (the "Depository"). Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depository and its participants. See "Description of the Notes--Book-Entry System" herein.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO COMPANY (1) (3)
<S>	<C>	<C>	<C>
Per Note.....	100%	.65%	99.35%
Total.....	\$200,000,000	\$1,300,000	\$198,700,000

</TABLE>

- (1) Plus accrued interest, if any, from January 14, 1994.
- (2) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.
- (3) Before deducting estimated expenses of \$365,000 payable by the Company.

The Notes are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, and subject to certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Notes will be made through the book-entry facilities of the Depository on or about January 14, 1994.

MERRILL LYNCH & CO.

DILLON, READ & CO. INC.

The date of this Prospectus is January 7, 1994.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: New York Regional Office, 75 Park Place, 14th Floor, New York, New York 10007; and Chicago Regional Office, Northwestern Atrium Center, 500 West Madison Street, 14th Floor, Chicago, Illinois 60661. Copies of such material can be obtained from the Public Reference Section of the Commission, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed with the Commission by the Company, are incorporated in this Prospectus by reference as of its date of filing:

1. The Company's Annual Report on Form 10-K for the fiscal year ended February 27, 1993, as amended by Annual Report 10-K/A dated December 28, 1993.
2. The Company's Quarterly Report on Form 10-Q for the quarter ended June 19, 1993.
3. The Company's Quarterly Report on Form 10-Q for the quarter ended September 11, 1993.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Notes shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified and superseded, to constitute a part of this Prospectus.

The Company undertakes to provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus has been delivered, on written or oral request, a copy of any and all of the documents incorporated in this Prospectus by reference, other than exhibits to such documents not specifically incorporated by reference therein. Requests for such copies should be directed to The Great Atlantic & Pacific Tea Company, Inc., 2 Paragon Drive, Montvale, New Jersey 07645, Attention: Robert G. Ulrich, Senior Vice President and General Counsel (telephone (201) 573-9700).

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THE COMPANY

The Great Atlantic & Pacific Tea Company, Inc. (the "Company") is engaged in the retail food business. On the basis of reported sales for fiscal 1992, the Company believes that it had the fourth largest sales volume of any retail food company in the United States and the largest sales volume in metropolitan New York and Detroit and in the Province of Ontario, the Company's largest single markets in the United States and Canada.

Operating under the trade names A&P, Super Fresh, Family Mart, Farmer Jack, Kohl's, Waldbaum's, Food Emporium, Food Mart, Food Bazaar, Miracle Food Mart,

Sav-A-Center, Ultra Mart, Futurestore, Dominion and Compass Foods, the Company sells groceries, meats, fresh produce and other items commonly offered in supermarkets. In addition, many stores have bakery, delicatessen, fresh fish and cheese departments. National, regional and local brands are sold as well as private label merchandise. In support of its retail operations, the Company also operates two coffee roasting plants, two bakeries, one delicatessen food kitchen, an ice cream plant and (through a joint venture) a dairy. The products processed in these facilities are sold under the Company's own brand names which include A&P, Eight O'Clock, Bokar, Royale, Jane Parker, Wesley's Quaker Maid and Master Choice. All products produced by A&P's food processing operations are sold in Company stores. A&P also sells its coffee and ice cream products to unaffiliated retail outlets primarily outside of its marketing areas. As of the end of the fiscal 1993 third quarter ended December 4, 1993, the Company operated a total of 1,191 stores.

As of the close of fiscal 1992, the Company had approximately 90,000 employees, of which approximately 64% were employed on a part-time basis. Approximately 88% of the Company's employees are covered by union contracts. For information relating to a strike in Canada affecting 63 stores and 6,500 employees, see "Recent Developments--Labor Unions; Canadian Strike."

The Company's executive offices are located at 2 Paragon Drive, Montvale, New Jersey 07645, and its telephone number is (201) 573-9700. The Company was incorporated in Maryland in 1925.

RECENT DEVELOPMENTS

FINANCIAL UPDATE

Fiscal 1993

THIRD QUARTER ENDED DECEMBER 4, 1993. Sales for the 40 weeks ended December 4, 1993 were \$8.0 billion as compared to \$8.1 billion for the 40 weeks ended December 5, 1992. Net income before nonrecurring charges for the 40 weeks ended December 4, 1993 was \$23.4 million compared to \$30.9 million for the 40 weeks ended December 5, 1992. Nonrecurring charges totalling \$180.2 million in the first quarter of fiscal year 1992 contributed to a net loss of \$149.4 million for the 40 weeks ended December 5, 1992 compared to net income of \$23.4 million for the 40 weeks ended December 4, 1993. The nonrecurring charges consisted principally of charges relating to the Company's write-off in its investment in Isosceles and the adoption of certain new accounting pronouncements (see "Fiscal 1992" below).

Same store sales for the 12 weeks ended December 4, 1993, excluded the 63 stores affected by the Canadian strike (discussed below), and were 1% lower than the 12 weeks ended December 5, 1992 and 1.1% behind for the 40 weeks ended December 4, 1993 as compared to the 40 weeks ended December 5, 1992. The Company operated 1,191 stores at December 4, 1993. It opened 10 new stores, acquired 48 Big Star stores, remodeled or expanded 86 existing stores and closed 60 stores during the 40 weeks ended December 4, 1993.

SECOND QUARTER ENDED SEPTEMBER 11, 1993. Sales for the 28 weeks ended September 11, 1993 of \$5.7 billion decreased \$69 million or 1.2% from the corresponding period in the prior fiscal year. A lower Canadian exchange rate adversely affected sales by \$78 million or 1.4%. Excluding the effects of the change

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in exchange rates, sales increased by \$9 million or 0.2%. Contributing factors were the acquisition of 48 Big Star stores (\$125 million or 2.3%) and the opening of 15 new stores principally in the Northeast (\$96 million or 1.7%) largely offset by the closing of 92 outmoded stores since the comparable period last year in the Company's major markets of the Northeast, Michigan and Canada (\$147 million or 2.6%) and reduced same store sales (\$65 million or 1.2%). The U.S. same store sales decline of 2.0% reflects last year's impact of the Kroger strike in the Michigan region, the difficult sales climate and lack of inflation, largely offset by improved same store sales in Canada of 1.9%. Average weekly sales per store were approximately \$166,900 versus \$167,200 for the corresponding period of the prior year for a 0.2% decrease.

Gross margin as a percent of sales for the comparative periods increased 0.1% to 28.7% primarily from the continued benefits derived from the Company's centralized purchasing function and change in product mix partly offset by decreased buying allowances, increased special price reductions and increased competitive activity throughout the Company. Total gross margin decreased \$13 million mainly as a result of the negative effect of the Canadian exchange rate

of \$24 million, offset by \$3 million due to increased volume and \$8 million due to a net increase in rates.

In the United States, gross margin declined 0.3% to 28.5%, resulting in a reduction in gross margin dollars of approximately \$13 million while overall net revenue gains increased gross margin dollars by \$5 million.

In Canada, the gross margin rate improved 1.7% increasing margins by approximately \$21 million. Offsetting this improvement was \$24 million due to the negative effects of Canadian exchange rate and a minor sales volume decrease due to the loss of sales volume in closed stores offset by improved same store sales in continuing stores.

Store operating, general and administrative expense as a percent of sales increased to 27.5% from 27.1% from the corresponding period in the prior year resulting primarily from increased costs and expenses associated with store occupancy, store labor and employee benefits. U.S. expenses increased \$21 million, principally due to the addition of Big Star stores in 1993 offset by reduced expenses from store closures. Canadian expenses were 5.0% below the corresponding period in the prior year as a result of the change in exchange rates.

Interest expense decreased from the previous year primarily due to reduced capital lease obligations and lower interest rates on short-term borrowings partially offset by higher outstanding borrowings.

Loss before income tax benefit and cumulative effect for the 28 weeks ended September 12, 1992 reflects a \$151.2 million provision for potential loss on its total investment in Isosceles PLC. Pretax income before this provision was \$52.5 million. Included in the Company's September 11, 1993 balance sheet caption "other accruals and other non-current liabilities" are amounts totaling approximately \$41 million associated with store closing liabilities. This liability principally represents costs associated with future rent, property taxes, common area maintenance costs and equipment disposition costs, estimated to be incurred by the Company.

Fiscal 1992

During fiscal 1992, the Company recorded non-recurring pre-tax charges of \$151.2 million for the potential loss on its investment in Isosceles PLC and a \$43 million charge for realignment of store operation costs. In addition, the Company adopted new accounting standards for Income Taxes and Postretirement Benefits and recorded after-tax charges of \$64.5 million and \$26.5 million, respectively. The Company's decision to record a provision for the potential loss of its investment in Isosceles PLC occurred in July 1992. The Company monitored its investment in Isosceles through the analysis of Isosceles' prepared business plans and cash flow projections. In September of 1990 the Company chose not to participate in a recapitalization of Isosceles resulting in a decline in its ownership portion to approximately 7.2%. Late in 1991 new management was appointed at Isosceles and in June 1992, the Company was informed by new management that a significantly different operating strategy would be implemented. The Company was further informed

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by new Isosceles management that this new strategy would result in substantially reduced operating results and that Isosceles shareholders had suffered a significant diminution in the value of their holdings. Shortly thereafter, the Company concluded that the recovery of any of its investment in Isosceles had become remote and that it was appropriate to write-off its entire investment.

In 1992, the Company reassessed store operations in its markets and closed certain stores and has identified certain other stores to be closed in the future as part of its realignment program for certain geographic regions in the United States and Canada. This program, which included 72 stores, is expected to be substantially completed over the next three years. Charges totalling \$43 million in fiscal 1992 related to this realignment and included future rent, property taxes, common area maintenance costs and equipment disposition costs. The Company anticipates that these costs, which only include costs subsequent to the actual store closing, will be paid principally over the next four years. Operating charges during the period from the announcement of the realignment program through the anticipated closure date have been, and will continue to be, charged as expenses in the appropriate period. This realignment program is an integral part of the Company's long term strategic and profit plan. The Company believes that, within a three to five year period, this program will have a positive effect on future operations and cash flows.

Included under the Company's 1992 year-end balance sheet caption "other accruals and other non-current liabilities" are amounts totalling approximately \$60 million associated with store closing liabilities. This liability principally represents costs associated with future rent, property taxes, common area maintenance costs and equipment disposition costs estimated to be incurred by the Company.

Adoption of SFAS No. 112 During Fiscal 1994

Statement of Financial Accounting Standards No. 112 "Employers Accounting for Post Employment Benefits", will be effective for fiscal years beginning after December 15, 1993 and will require the accrual of costs for pre-retirement post-employment benefits provided to former or inactive employees and the recognition of an obligation for these benefits. The Company intends to adopt the statement effective February 27, 1994.

LABOR UNIONS; CANADIAN STRIKE

The Company has been in negotiations with Local Nos. 175 and 633, United Food & Commercial Workers, regarding a collective bargaining agreement involving approximately 6,500 employees in 63 "Miracle Mart", "Ultra Mart" and other stores in Ontario, Canada. The Union struck 63 stores on November 19, 1993. Because the Company has no ability to hire replacement workers under Ontario law, the stores are closed for business. The Company made an offer to settle the dispute which was rejected by the union members on December 11, 1993. The Company cannot predict when negotiations will resume or what will be the outcome of negotiations. Revenues of the 63 stores approximate 25% of the total Canadian operations with gross margin rates approximating the overall gross margin rates of the total Canadian operations. Since the date of the strike, the Company has incurred one time costs of \$1.3 million mainly due to inventory losses on perishable products which could not be removed from the stores due to picketing activities. The Company estimates that its profitability and cash flow may be negatively impacted by approximately \$1 million per week in the near term.

There are twenty-two significant union contracts expiring in 1993 and 1994 which have not yet been extended. These contracts affect approximately 31,000 employees. These union contracts are either in the early stages of negotiation or negotiations have not begun.

EXPANSION PROGRAM

The Company has expanded its position in Metro Atlanta by acquiring 48 Big Star stores in March 1993 for approximately \$43 million. The acquisition has been accounted for as a purchase. The Company is in the process of finalizing the fair value of assets acquired and liabilities assumed based on the current appraisals and assessments.

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The Company continues to build a strong foundation by accelerating its efforts to eliminate obsolete, unproductive stores and by opening new stores and remodeling existing stores. The closing of stores which are older and outmoded occurs in the normal course of business. The costs associated with such closings tend to be insignificant as these stores are generally near the end of the lease term and have lower net asset values. The Company's 1992 planned realignment program included 72 stores which did not meet this criteria. The Company has closed 56 stores during the first 36 weeks of the current fiscal year, eight of which were included in the 1992 planned realignment program. The Company expects to close approximately 50 stores per year over the next two fiscal years.

For fiscal 1993, the Company has planned capital expenditures in excess of \$300 million for 24 new stores and more than 150 remodels and expansions (compared with 11 new stores and 102 remodels and expansions in 1992), and plans to maintain at least that level of expenditure each year through 1997. Nine new stores, with a cost approximating \$33 million, which were included in the 1993 original plan, have been delayed mainly to permit compliance with applicable regulatory requirements. It has been the Company's experience over the past several years that it typically takes 12 to 18 months after opening for a new store to begin generating operating profit. Risks inherent in retail real estate investments are primarily associated with competitive pressures in the marketplace. From 1993 through 1997, the Company intends to improve the use of technology through scanning and other technological advances to improve customer service and store operations and merchandising, to intensify advertising and promotion and to enhance purchasing and merchandising.

The Company's Five-Year Development Plan includes 175 new stores over the next five years, with an attendant increase in net square footage of 3% per year, and the remodeling of approximately 165 stores per year. Costs of each project will vary significantly based upon size, marketing format, geographic area and development involvement required from the Company. The planned costs of these projects average \$3,000,000 for a new store and \$900,000 for a remodel or enlargement. Traditionally, the Company leases real estate and expends capital on leasehold improvements and store fixtures and fittings. Based upon current business conditions, the Company anticipates that it may be required to increase its purchase and development of real estate. Consistent with the Company's history, most new store activity will be directed into those areas where the Company achieves its best profitability. Remodeling and enlargement programs are normally undertaken based upon competitive opportunities and usually involve updating a store to a more modern and competitive format. The Company anticipates that the proceeds from this offering and the refinancing of self-developed real estate projects, together approximating \$300 million, combined with its operating cash flows should be sufficient to fund these programs.

CREDIT FACILITIES

The Company's available credit facilities consisted of the following on the indicated dates:

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	FEBRUARY 27, 1993	SEPTEMBER 11, 1993
	-----	-----
<S>	<C>	<C>
	(Dollars in Millions)	
U.S. Revolving Credit Agreement.....	\$175	\$175
U.S. Bank Lines of Credit.....	260	205
Canadian Bank and Commercial Paper Pro-gram.....	80	76
	----	----
Total Available Credit.....	515	456
Less Borrowings.....	159	235
	----	----
Net Available Credit.....	\$356	\$221
	=====	=====

</TABLE>

Under the terms of the U.S. Revolving Credit Agreement, the Company may borrow up to \$175 million on a revolving basis at current money market interest rates with a final maturity of February 28, 1994. There have been no borrowings under this facility. In October 1993, the Company replaced its \$175 million Credit

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Agreement with a new Credit Agreement under which the Company may borrow on a revolving basis up to \$250 million at current money market interest rates with a final maturity at October 1996. The Company pays a facility fee of 1/4 of 1% for this Agreement. The costs of borrowings under the Company's U.S. and Canadian Bank Lines of Credit and the Canadian Commercial Paper Program are at prevailing short-term interest rates.

RATINGS

During October 1993, Standard & Poor's Ratings Group confirmed the Company's existing senior debt rating of BBB- and commercial paper rating of A-3. In November 1993 Moody's Investors Service lowered the Company's senior debt rating to Baa3 and its commercial paper rating to Prime-3. Both Moody's Investors Service and Standard & Poor's Ratings Group have issued their preliminary ratings with respect to the Notes offered hereby consistent with the current ratings of the Company. The Company does not believe that there has been a material impact on the Company's available bank lines of credit as a result of these ratings.

USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the Notes offered hereby will be used for general corporate purposes including the repayment of certain debt, the construction of new stores, the remodeling of existing stores, closure of small, outmoded stores, the possible acquisition of retail food stores or other enterprises related to the Company's business.

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SELECTED FINANCIAL INFORMATION

The following is a summary of certain consolidated financial information relating to the Company. This summary should be read in conjunction with the related consolidated financial statements and supplemental schedules included or incorporated by reference in the Company's Form 10-K for the fiscal year ended February 27, 1993 and the Company's Form 10-Q for the quarter ended September 11, 1993 which is incorporated herein by reference.

<TABLE>

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	YEARS ENDED					PERIODS ENDED	
	FEBRUARY 25, 1989	FEBRUARY 24, 1990	FEBRUARY 23, 1991	FEBRUARY 29, 1992	FEBRUARY 27, 1993	SEPTEMBER 12, 1992	SEPTEMBER 11, 1993
	(52 WEEKS)	(52 WEEKS)	(52 WEEKS)	(53 WEEKS)	(52 WEEKS)	(28 WEEKS)	(28 WEEKS)
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Summary of Operations(1):							
Sales.....	10,067,776	11,147,997	11,390,943	11,590,991	10,499,465	5,748,076	5,678,632
Gross margin.....	2,586,403	2,936,734	3,153,571	3,213,281	2,987,555	1,644,413	1,631,647
Income from operations.	267,359	308,113	334,855	203,854	44,306	87,906	71,783
Income (loss) before cumulative effect.....	127,582	146,698	150,954	70,664	(98,501) (2)	(58,793)	23,007
Cumulative effect on prior years of changes in accounting principles:							
Income taxes.....	--	--	--	--	(64,500)	(64,500)	--
Post retirement benefits.....	--	--	--	--	(26,500)	(26,500)	--
Net income (loss).....	127,582	146,698	150,954	70,664	(189,501)	(149,793)	23,007
Ratio of earnings to fixed charges(3).....	3.68x	3.23x	3.11x	1.93x	--	--	1.61x
Deficiency in earnings available to cover fixed charges (4).....	--	--	--	--	172,101	98,693	--
Financial Position(1):							
Total assets.....	2,754,799	2,967,297	3,415,045	3,293,267	3,090,930	3,024,793	3,128,629
Working capital.....	90,637	80,181	116,251	173,866	56,769	170,453	67,249
Long-term debt.....	254,312	329,286	532,510	486,129	414,301	439,988	487,659
Non-current obligations under capital leases..	252,618	233,564	220,892	206,003	182,066	193,692	169,464
Shareholders' equity...	970,843	1,092,164	1,221,270	1,253,106	1,034,330	1,095,217	1,032,358

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(1) In January 1989, the Company acquired all of the outstanding shares of Borman's, Inc. ("Borman's") for approximately \$78 million in cash. Borman's operated 81 retail supermarkets principally in the Metropolitan Detroit area under the tradename of Farmer Jack. The acquisition has been accounted for as a purchase, and the excess cost over the Company's net assets acquired was approximately \$42 million. The results of operations have been included in the consolidated results of the Company from the date of acquisition.

In October 1990, the Company acquired certain assets, including inventory, of the Miracle Food Mart Division of Steinberg, Inc. ("Miracle Food Mart") for approximately Cdn\$270 million. The acquisition included 70 retail supermarkets in the province of Ontario under the trade names "Miracle Food Mart" and "Ultra Mart." The acquisition has been accounted for as a purchase, and the excess of cost over the fair market value of net assets acquired was approximately Cdn\$75 million (U.S. \$65 million). The results of operations have been included in the consolidated results of the Company from the date of acquisition. In connection with this acquisition, liabilities amounting to Cdn\$35 million were assumed at the date of acquisition in fiscal 1990. Management periodically reassesses the appropriateness of its goodwill balance based on forecasts of operating cash flow less significant anticipated cash requirements. While cash flows have been negatively impacted by the Canadian work stoppage described above, the Company believes that the stoppage is temporary and that the cash flows projected to be generated on an undiscounted basis should be sufficient to recover the goodwill balance over its remaining life.

In March 1993, the Company acquired certain assets, including inventory, of 48 Big Star stores in the Atlanta, Georgia area for approximately \$43 million. The acquisition has been accounted for as a purchase. The Company is in the process of finalizing the fair value of assets acquired and liabilities assumed based on current appraisals and assessments.

- (2) During fiscal 1992, the Company recorded a provision for potential loss on its total investment in Isosceles PLC ("Isosceles"), net of applicable income taxes, of \$89.2 million. In addition, during fiscal 1992, the Company reassessed store operations in its markets and has closed certain stores and has identified certain other stores to be closed in the future as part of its realignment of certain operating divisions in the United States and Canada, and consequently, the Company recorded a charge, net of applicable income taxes, of \$25.0 million to cover the cost of these closings.
- (3) In calculating the ratio of earnings to fixed charges, earnings consist of income (loss) before income taxes and cumulative effect on prior years of changes in accounting principles plus fixed charges. Fixed charges consist of interest expense plus the portion of rental expense under leases which has been deemed by the Company to be representative of the interest factor.
- (4) The deficiency in earnings available to cover fixed charges includes the pretax effect of a provision for a potential loss on the Company's total investment in Isosceles of \$151.2 million. Excluding the effect of this charge, the deficiency in earnings available to cover fixed charges for the year ended February 27, 1993 would have been \$20.9 million and for the 28 week period ended September 12, 1992 pretax income would have been \$52.6 million and the ratio of earnings to fixed charges would have been 1.8x.

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DESCRIPTION OF THE NOTES

The Notes will be issued under an Indenture, dated as of January 1, 1991, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as Trustee, which Indenture is incorporated by reference to the Company's Form 8-K, dated January 1, 1991. The Indenture is subject to and is governed by the Trust Indenture Act of 1939, as amended. The following summary of certain provisions of the Indenture and the Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Indenture, including the definitions therein of certain terms and of those terms made a part thereof by the Trust Indenture Act of 1939.

GENERAL

The Notes will bear interest at the rate of 7.70% per annum and will mature on January 15, 2004. Interest on the principal amount of the Notes will be payable semi-annually on January 15 and July 15, commencing July 15, 1994, to the persons in whose names the Notes are registered at the close of business on January 1 or July 1, as the case may be, preceding such January 15 or July 15. The first payment of interest will be made in respect of the period commencing January 14, 1994.

The Notes are not redeemable prior to maturity and do not have the benefit of a sinking fund. The Notes will be unsecured and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company.

The Notes will be issued only in fully registered book-entry form, without coupons, in denominations of \$10,000 and integral multiples of \$1,000 in excess thereof. No service charge will be made for any transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Sections 302, 305) The Notes will be represented by a Global Note registered in the name of a nominee of The Depository Trust Company, New York, New York. Except as set forth under "Book-Entry System" below, Notes will not be issuable in certificated form.

RESTRICTED AND UNRESTRICTED SUBSIDIARIES

The various restrictive provisions of the Indenture applicable to the Company and its Restricted Subsidiaries do not apply to Unrestricted Subsidiaries. The assets and indebtedness of Unrestricted Subsidiaries are not consolidated with those of the Company and its Restricted Subsidiaries in calculating Consolidated Net Tangible Assets under the Indenture. Investments by the Company or by its Restricted Subsidiaries in Unrestricted Subsidiaries are excluded in computing Consolidated Net Tangible Assets. "Unrestricted Subsidiaries" are those Subsidiaries which are designated as Unrestricted Subsidiaries by the Board of Directors from time to time pursuant to the Indenture (in each case, unless and until designated as Restricted Subsidiaries by the Board of Directors pursuant to the Indenture). "Restricted Subsidiaries" are all Subsidiaries other than Unrestricted Subsidiaries. At the date of execution of the Indenture, all Subsidiaries of the Company were Restricted Subsidiaries. However, subject to compliance with the terms of the Indenture,

the Company has the right to change the designation of one or more of such Subsidiaries to Unrestricted Subsidiaries. A "Wholly-owned Restricted Subsidiary" is a Restricted Subsidiary, of which at least 99% of the capital stock (except directors' qualifying shares) is owned by the Company and its other Wholly-owned Restricted Subsidiaries. (Section 101)

An Unrestricted Subsidiary may not be designated a Restricted Subsidiary if it has any Secured Debt or Attributable Debt unless immediately thereafter the Company and its Restricted Subsidiaries would be permitted to incur such debt under the terms of the Indenture. (Section 1009(b))

"Mortgage" means and includes any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Principal Property" means all improved real property and improvements thereon owned by the Company or a Restricted Subsidiary (including, without limitation, any store, warehouse, service center,

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shopping center or distribution center wherever located), and in each case having a book value (determined by reference to the latest available quarterly or annual consolidated balance sheet of the Company) equal to at least 1% of Consolidated Net Tangible Assets at the date of such balance sheet. A Principal Property is treated as having been "acquired" on the date the Principal Property is placed in operation by the Company or a Restricted Subsidiary after the later of (a) its acquisition from a third party, including an Unrestricted Subsidiary, (b) completion of its original construction or (c) completion of its substantial reconstruction, renovation, remodeling or expansion (whether or not constituting a Principal Property prior to such reconstruction, renovation, remodeling or expansion). The Board of Directors shall have the power to determine in good faith (which determination, reasonably made in good faith, shall be final, conclusive and binding on all parties) whether and when a Principal Property has been "acquired" for purposes of the foregoing sentence. At the present time, there are only a few Principal Properties of the Company and its Restricted Subsidiaries.

RESTRICTIONS UPON SECURED DEBT

Neither the Company nor a Restricted Subsidiary is permitted to create, issue, incur, assume or guarantee any Secured Debt without equally and ratably securing the Notes. This restriction does not apply to certain permitted encumbrances described in the Indenture, including purchase money mortgages, encumbrances existing on property at the time it is acquired by the Company or a Restricted Subsidiary or created within 18 months of the date of such acquisition, conditional sales and similar agreements and the extension, renewal or refunding of any of the foregoing. Subsection (d) of Section 1008 of the Indenture also permits other indebtedness secured by encumbrances not otherwise specifically permitted which, together with Attributable Debt respecting existing Sale and Leaseback Transactions (excluding, among certain others, Sale and Leaseback Transactions entered into in respect of property acquired by the Company or a Restricted Subsidiary not more than 18 months prior to the date such Sale and Leaseback Transaction is entered into) incurred or entered into, as the case may be, after the date of the Indenture, would not at the time exceed 10% of the Consolidated Net Tangible Assets of the Company and its Restricted Subsidiaries. (Section 1008)

"Capital Lease" means any lease of property which, in accordance with generally accepted accounting principles, should be capitalized on the lessee's balance sheet or for which the amount of asset and liability thereunder as if so capitalized should be disclosed in a note to such balance sheet.

"Consolidated Net Tangible Assets" means (a) the total amount of assets (less applicable reserves and other properly deductible items) which under generally accepted accounting principles would be included on a consolidated balance sheet of the Company and its Restricted Subsidiaries after deducting therefrom, without duplication, the sum of (i) all liabilities and liability items which under generally accepted accounting principles would be included on such balance sheet, except Funded Debt, liabilities in respect of Capital Leases (other than the current portion thereof), capital stock and surplus, surplus reserves and provisions for deferred income taxes and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, which in each case under generally accepted accounting principles would be included on such consolidated balance sheet, less (b) the amount which would be so included on such consolidated balance sheet for Investments (less applicable reserves) (i) in Unrestricted Subsidiaries or (ii)

in corporations while they were Unrestricted Subsidiaries but which at the time of computation are not Subsidiaries of the Company. (Section 101)

"Funded Debt" means any indebtedness for money borrowed, created, issued, incurred, assumed or guaranteed, whether secured or unsecured, maturing more than one year after the date of determination thereof and any indebtedness, regardless of its terms, renewable pursuant to the terms thereof or of a revolving credit or similar agreement effective for more than one year after the date of the creation of the indebtedness, which would, in accordance with generally accepted accounting practice, be classified as funded debt, excluding (i) indebtedness for which money in satisfaction thereof has been deposited in trust, (ii) certain guarantees arising in the ordinary course of business, and (iii) liabilities resulting from capitalization of lease rentals. (Section 101)

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"Secured Debt" means indebtedness for money borrowed which is secured by a Mortgage on a Principal Property of the Company or any Restricted Subsidiary. A pledge of the stock of a Subsidiary shall not be deemed to create a Mortgage on the property of such Subsidiary. (Section 101)

RESTRICTIONS UPON SALES WITH LEASES BACK

The Company is not permitted, and may not permit a Restricted Subsidiary, to sell (except to the Company and/or one or more Wholly-owned Restricted Subsidiaries) any Principal Property owned by the Company or a Restricted Subsidiary with the intention that the Company or any Restricted Subsidiaries take back a lease thereof, except a lease for a period, including renewals, of not more than 36 months by the end of which period it is intended that the use of such Principal Property by the lessee will be discontinued, except (i) where the Company would be entitled under subsection (d) of Section 1008 of the Indenture to incur additional Secured Debt not otherwise specifically permitted by the Indenture in an amount equal to the Attributable Debt respecting such Sale and Leaseback Transaction, (ii) where the Sale and Leaseback Transaction is entered into in respect of property acquired by the Company or a Restricted Subsidiary within 18 months of such acquisition, or (iii) where the Company, within 180 days of entering into the Sale and Leaseback Transaction (or, in the case of (ii) below, within six months thereafter pursuant to a bona fide commitment to acquire a Principal Property entered into within such 180-day period), applies an amount equal to the lesser of (a) the net proceeds (net of all costs, fees, expenses, taxes and indemnities payable as a result thereof) of the sale of the property leased pursuant to such Transaction or (b) the fair market value of the property so leased to (i) the retirement of secured debt of the Company or any Restricted Subsidiaries, or Notes or (ii) the acquisition of one or more Principal Properties (other than the Principal Property involved in such sale). (Section 1007)

RESTRICTION UPON MERGER AND SALE OF ASSETS

The Indenture provides that no merger of the Company with or sale of the Company's property substantially as an entirety to any other corporation shall be made if, as a result, properties or assets of the Company would become subject to a mortgage or lien which would not be permitted by the Indenture, unless the Notes shall be equally and ratably secured with such obligations. Any successor entity must be a corporation organized in the United States, shall expressly assume the due and punctual payment of the principal (and premium, if any) and interest on the Notes and, immediately after giving effect to a merger or consolidation, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing. (Section 801)

MODIFICATION OF THE INDENTURE

The Indenture and the rights of the Holders may be modified by the Company only with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding securities of all series issued thereunder (including the Notes) affected by the modification (taken together as one class); but no modification altering the terms of payment of principal or interest, changing the place or medium of payment of principal or interest, impairing the rights of Holders to institute suit for payment or reducing the percentage required for modification will be effective against any Holder without his consent. (Section 902)

EVENTS OF DEFAULT

The Indenture defines an Event of Default with respect to the securities of any series issued thereunder (including the Notes) as being any one of the

following events: (a) default for 30 days in any payment of interest on that series when due, (b) default in any payment of principal on that series when due, (c) default in the deposit of any sinking fund payment when due, (d) default for 60 days after appropriate notice in the performance of any other covenant in the Notes or the Indenture, (e) certain events in bankruptcy, insolvency or reorganization, or (f) certain events of default resulting in the acceleration of the maturity of the related indebtedness aggregating in excess of \$10,000,000 under any mortgages, indentures (including the Indenture) or instruments under which the Company may have issued, or by which there may have been secured or evidenced, any other indebtedness for money borrowed (including securities of any series issued thereunder)

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of the Company. In case an Event of Default shall occur and be continuing with respect to the Notes, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare the principal of the Notes and the accrued interest thereon, if any, to be due and payable. Any Event of Default with respect to the Notes which has been cured may be waived by the Holders of a majority in aggregate principal amount of the Notes then outstanding. (Sections 501, 502, 513)

The Indenture requires the Company to file annually with the Trustee a written statement signed by two officers of the Company as to the absence of certain defaults under the terms of the Indenture. The Indenture provides that the Trustee may withhold notice to the Holders of any default (except in payment of principal or premium, if any, or interest) if it considers it in the interest of the Holders to do so. (Sections 602, 1011)

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default shall occur and be continuing, the Indenture provides that the Trustee shall be under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of Holders unless such Holders shall have offered to the Trustee reasonable indemnity. Subject to such provisions for indemnification and certain other rights of the Trustee, the Indenture provides that the Holders of a majority in principal amount of the Notes then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. (Sections 512, 603)

DEFEASANCE AND DISCHARGE

The terms of the Indenture provide the Company with the option to be discharged from any and all obligations in respect of the Notes (except for certain obligations to register the transfer or exchange of Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and hold moneys for payment in trust) upon the deposit with the Trustee, in trust, of money or U.S. Government Obligations (as defined), or both, which through the payment of interest and principal thereof in accordance with their terms will provide money in an amount sufficient to pay any installment of principal (and premium, if any) and interest on and any mandatory sinking fund payments in respect of the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and such Notes. Such option may be exercised only if the Company has received from, or there has been published by, the United States Internal Revenue Service a ruling to the effect that such a discharge will not be deemed, or result in, a taxable event with respect to Holders. (Section 403)

DEFEASANCE OF CERTAIN COVENANTS

The terms of the Notes provide the Company with the option to omit to comply with the covenants described under the headings "Restricted and Unrestricted Subsidiaries", "Restrictions upon Secured Debt" and "Restrictions upon Sales with Leases Back" above. The Company, in order to exercise such option, will be required to deposit with the Trustee money or U.S. Government Obligations, or both, which through the payment of interest and principal thereof in accordance with their terms will provide money in an amount sufficient to pay principal (and premium, if any) and interest on any mandatory sinking fund payments in respect of the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and such Notes. The Company will also be required to deliver to the Trustee an opinion of counsel to the effect that the Company has received from, or there has been published by, the Internal Revenue Service a ruling to the effect that the deposit and related covenant defeasance will not cause the Holders of such series to recognize income, gain or loss for federal income tax purposes. (Section 1010).

The Trustee acts as a depository of funds of, extends lines of credit to, and performs other services for the Company in the normal course of its business.

BOOK-ENTRY SYSTEM

Upon issuance, the Notes will be represented by a global note or notes (the "Global Note"). The Global Note representing the Notes will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository"). Upon the issuance of the Global Note, the Depository or its nominee will credit the accounts of persons held with it with the respective principal or face amounts of the Notes represented by such Global Note. Ownership of beneficial interests in the Global Note will be limited to persons that have accounts with the Depository ("participants") or persons that may hold interests through participants. Ownership of beneficial interests by participants in the Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository. Ownership of beneficial interests in such Global Note by persons that hold through participants will be shown on, and the transfer of that ownership interest within such participant will be effected only through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to acquire or transfer beneficial interest in the Global Note.

Payment of principal of and interest on the Notes will be made to the Depository or its nominee, as the case may be, as the sole registered owner and holder of the Global Note for all purposes under the Indenture. Neither the Company, the Trustee nor any agent of the Company or the Trustee will have any responsibility or liability for any aspect of the Depository's records relating to or payments made on account of beneficial ownership interests in the Global Note or for maintaining, supervising or reviewing any of the Depository's records relating to such beneficial ownership interests.

The Company has been advised by the Depository that upon receipt of any payment of principal of or interest on the Global Note, the Depository will immediately credit, on its book-entry registration and transfer system, the accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal or face amount of such Global Note as shown on the records of the Depository. Payments by participants to owners of beneficial interests in the Global Note held through such participants will be governed by standing instructions and customary practices as is now the case with securities held for customer accounts registered in "street name" and will be the sole responsibility of such participants.

The Global Note may not be transferred except as a whole by the Depository to a nominee of the Depository. The Global Note representing the Notes is exchangeable for certificated Notes only if (x) the Depository notifies the Company that it is unwilling or unable to continue as Depository for such Global Note or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act and the Company fails within 90 days thereafter to appoint a successor, (y) the Company in its sole discretion determines that such Global Note shall be exchangeable or (z) there shall have occurred and be continuing an Event of Default (as defined in the Indenture) or an event which with the giving of notice or lapse of time or both, would constitute an Event of Default with respect to the Notes represented by such Global Note. In such event, the Company will issue Notes in certificated form in exchange for the Global Note. In any such instance, an owner of a beneficial interest in the Global Note will be entitled to physical delivery in certificated form of Notes equal in principal amount to such beneficial interest and to have such Note registered in its name. Notes so issued in certificated form will be issued in denominations of \$1,000 or any larger amount that is an integral multiple thereof, and will be issued in registered form only, without coupons. Subject to the foregoing, the Global Note is not exchangeable, except for a Global Note of like denomination to be registered in the name of the Depository or its nominee.

So long as the Depository, or its nominee, is registered owner of the Global Note, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for the purposes of receiving payment on the Notes, receiving notices and for all other purposes under the Indenture and the Notes. Beneficial interests in Notes will be evidenced only by, and

transfer thereof will be effected only through, records maintained by the Depositary and its participants. Except as provided herein, owners of beneficial interests in the Global Note will not be entitled to and will not be considered the holders thereof for any purposes under the Indenture. Accordingly, each person owning a beneficial interest in such Global Note must rely on the procedures of the Depositary, and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. The Indenture provides that the Depositary may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to give or take under the Indenture. The Company has been advised by the Depositary that under existing industry practices, in the event that the Company requests any action of holders or that an owner of a beneficial interest in such Global Note desires to give or take any action which a holder is entitled to give or take under the Indenture, the Depositary would authorize the participants holding the relevant beneficial interest to give or take such action and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

The Depositary has advised the Company that the Depositary is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under the Exchange Act. The Depositary was created to hold the securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depositary's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations some of whom (and/or their representatives) own the Depositary. Access to the Depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

UNDERWRITING

Subject to the terms and conditions set forth in the Purchase Agreement (the "Purchase Agreement"), between the Company and the Underwriters, the Company has agreed to sell to each of the Underwriters named below, and each of the Underwriters has severally agreed to purchase, the principal amount of the Notes set forth opposite its name below. The Underwriters are committed to purchase all of the Notes if any are purchased.

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UNDERWRITER -----	PRINCIPAL AMOUNT -----
<S>	<C>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$100,000,000
Dillon, Read & Co. Inc.	100,000,000
Total.....	\$200,000,000 =====

</TABLE>

The Underwriters have advised the Company that they propose initially to offer the Notes to the public at the public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of .40% of the principal amount. The Underwriters may allow, and such dealers may reallocate, a concession not in excess of .25% of the principal amount of the Notes to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Notes are a new issue of securities with no established trading market.

The Company has been advised by the Underwriters that the Underwriters intend to make a market in the Notes, but they are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

LEGAL MATTERS

Certain legal matters in connection with the Notes offered hereby will be passed upon for the Company by Robert G. Ulrich, Esq., Senior Vice President and General Counsel of the Company, and Cahill Gordon & Reindel, a partnership including a professional corporation, New York, New York. As of December 20, 1993, Mr. Ulrich was the beneficial owner of approximately 2,800 shares of the Company's common stock. The validity of the Notes will be passed upon for the Underwriters by Brown & Wood, New York, New York.

EXPERTS

The consolidated balance sheets of the Company as of February 29, 1992 and February 27, 1993 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three fiscal years in the period ended February 27, 1993 and the financial statements schedules thereto incorporated by reference in this Prospectus and in the Registration Statement have been audited by Deloitte & Touche, independent public accountants, as stated in their reports incorporated herein by reference. Such financial statements and financial statement schedules of the Company for the periods referred to above are incorporated by reference herein in reliance upon such reports of Deloitte & Touche given upon the authority of such firm as experts in accounting and auditing.

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NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE NOTES IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

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\$200,000,000

LOGO

THE GREAT ATLANTIC & PACIFIC TEA COMPANY, INC.

7.70% SENIOR NOTES
DUE 2004

PROSPECTUS

MERRILL LYNCH & CO.

DILLON, READ & CO. INC.

JANUARY 7, 1994

