



Immediate Release:

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**PENN TRAFFIC AND UFCW LOCAL 1 REACH CONTRACT AGREEMENT  
FOR 53 JAMESTOWN WAREHOUSE EMPLOYEES**

**Jamestown, NY, August 23, 2005 ---** The Penn Traffic Company today announced it has reached agreement with United Food & Commercial Workers (UFCW) Local 1 on a new contract covering 53 employees at its Quality Markets general merchandise warehouse at 101 Jackson Avenue, Jamestown, New York.

“We are pleased we have been able to negotiate a contract with our Jamestown warehouse employees,” said John MacIntyre, General Manager of Quality Markets, a division of Penn Traffic. “We are looking forward to having our warehouse employees back on the job.”

The three-year contract was ratified by members of UFCW Local 1 in a vote earlier today. The employees return to work tomorrow, Wednesday, August 24.

The contract gives employees a total of \$1.50 an hour raise over three years, with about half of all employees to receive a raise of \$1.85 an hour. Under the new contract, the Company continues to make 100 percent of all contributions for healthcare insurance for all covered employees and their families and 100 percent of all contributions to a defined benefit pension plan for all eligible covered employees.

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The Penn Traffic Company operates 109 supermarkets in Pennsylvania, upstate New York, Vermont and New Hampshire under the BiLo, P&C and Quality trade names. Penn Traffic also operates a wholesale food distribution business serving 79 licensed franchises and 40 independent operators.

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