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FOR PENN TRAFFIC: Susan Asquith or Jeffrey Schoenborn of Travers, Collins & Company, 716.842.2222, sasquith@traverscollins.com or jschoenborn@traverscollins.com

PENN TRAFFIC FILES ITS FORM 10-K FOR FISCAL YEAR 2007

SYRACUSE, N.Y. – The Penn Traffic Company (Pink Sheets: PTFC.PK) today filed its annual report on Form 10-K for the fiscal year ended Feb. 3, 2007 with the Securities and Exchange Commission.

Penn Traffic reported a net loss of \$21.2 million, or \$2.50 cents per share, on revenues of \$1.31 billion for the 53 weeks ended Feb. 3, 2007. The company posted gross profit of \$329.5 million, or 25.2 percent of revenues, for fiscal 2007 and operating losses of \$17.7 million. Penn Traffic also generated net cash flows from operating activities of \$12.6 million during the period. The company had \$24.7 million in cash and equivalents on hand as of Feb. 3, 2007.

“Penn Traffic’s historical annual-report filings are now current, and getting our public-company reporting calendar back on track is an important element of the financial and operational turnaround effort, which this management team is committed to,” said President and Chief Executive Officer Gregory J. Young. “It’s part of getting our operational discipline and business practices to where they need to be, to continue to increase value for our customers and our shareholders.”

Penn Traffic is continuing the process of finalizing outstanding quarterly reports on Form 10-Q for fiscal 2006, 2007 and 2008. The company makes no assurances as to when they will be completed, though Penn Traffic’s intent is to simultaneously file all three 2006 quarterly reports on Form 10-Q this year, then simultaneously file all 2007 quarterly reports, and lastly file all 2008 quarterly reports together. Penn Traffic expects to be current in its quarterly and annual SEC-reporting obligations with the timely filing of its Form 10-K for the fiscal year ended Feb. 2, 2008.

The full text of the company’s 2007 Form 10-K is available from the SEC’s EDGAR database (www.sec.gov/edgar.shtml) and by written request to Penn Traffic, Corporate Secretary, P.O. Box 4737, Syracuse, NY 13221-4737.

The Penn Traffic Company currently operates 105 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 approximately 120 independent operators and Penny Curtiss, a Syracuse-based commercial bakery.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, as amended, reflecting management's current analysis and expectations, based on what management believes to be reasonable assumptions. These forward-looking statements include statements relating to our anticipated financial performance and business prospects. Statements preceded by, followed by or that include words such as "believe," "anticipate," "estimate," "expect," "could," and other similar expressions are to be considered such forward-looking statements. Forward-looking statements may involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from those projected, stated or implied, depending on such factors as: the ability of the company to improve its operating performance and effectuate its business plans; the ability of the company to operate pursuant to the terms of its credit facilities and to comply with the terms of its lending agreements or to amend or modify the terms of such agreements as may be needed from time to time; the ability of the company to generate cash; the ability of the company to attract and maintain adequate capital; the ability of the company to refinance; increases in prevailing interest rates; the ability of the company to obtain trade credit, and shipments and terms with vendors and service providers for current orders; the ability of the company to maintain contracts that are critical to its operations; potential adverse developments with respect to the company's liquidity or results of operations; general economic and business conditions; competition, including increased capital investment and promotional activity by the company's competitors; availability, location and terms of sites for store development; the successful implementation of the company's capital expenditure program; labor relations; labor and employee benefit costs including increases in health care and pension costs and the level of contributions to the company sponsored pension plans; the result of the pursuit of strategic alternatives; economic and competitive uncertainties; the ability of the company to pursue strategic alternatives; economic and competitive uncertainties; changes in strategies; changes in generally accepted accounting principles; adverse changes in economic and political climates around the world, including terrorist activities and international hostilities; and the outcome of pending, or the commencement of any new, legal proceedings against, or governmental investigations of the company, including the previously announced SEC and U.S. Attorney's Office investigations. The company cautions that the foregoing list of important factors is not exhaustive. Accordingly, there can be no assurance that the company will meet future results, performance or achievements expressed or implied by such forward-looking statements. This paragraph is included to provide safe harbor for forward-looking statements, which are not generally required to be publicly revised as circumstances change, and which the company does not intend to update.

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