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PENN TRAFFIC SECURES EXTENSIONS TO CREDIT AGREEMENTS

SYRACUSE, N.Y. – The Penn Traffic Company (Pink Sheets: PTFC) has secured extensions to its existing credit agreements, which were set to expire on April 13, 2008.

The credit agreement with GE Corporate Lending, serving as agent in a facility also including The CIT Group/Business Credit, Inc., Bank of America, N.A., and Wachovia Capital Finance Corporation, was extended until April 13, 2010. The credit agreement with Kimco Capital Corp. was extended until April 13, 2009; however Penn Traffic can, subject to satisfying certain financial ratios and certain other conditions, extend that agreement until April 13, 2010.

The existing agreements provide for \$162 million of available credit, including a \$130 million revolving line of credit, a \$6 million term loan and a \$26 million supplemental real estate facility.

“We are pleased our lending partners recognize the improvements Penn Traffic and its associates are making in the business,” said President and Chief Executive Officer Gregory J. Young. “The successful extension of our credit agreements provides Penn Traffic with the necessary flexibility to continue to stabilize the business, invest in our core retail store portfolio, improve our customers’ shopping experience, and improve our overall offering in the markets we serve.”

In connection with the extension and related amendments to the credit agreements, the company agreed to pay fees totaling \$953,200 to its lending partners. In order to extend the credit agreement with Kimco to April 13, 2010, Penn Traffic will be required to pay Kimco an additional extension fee based on its outstanding borrowings as of April 13, 2009.

The amendments will be available as exhibits to a Form 8-K to be filed by the company, which will be available from the Securities and Exchange Commission’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.

About Penn Traffic

The Penn Traffic Company currently operates 98 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 130 independent operators.

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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 to meet any conditions to extend the maturities of such credit facilities (including the financial ratios and other conditions necessary to extend the credit agreement with Kimco Capital Corp); 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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