

# THE PENN TRAFFIC COMPANY

FOR IMMEDIATE RELEASE: January 9, 2009

FOR PENN TRAFFIC: Chuck Beeler, Eric Mower & Associates, 315-413-4346

## **PENN TRAFFIC TO CLOSE 8 STORES AS PART OF CONTINUED STRATEGIC CONSOLIDATION**

SYRACUSE, N.Y. – As part of its ongoing effort to improve its long-term financial performance and reinvest in its core store portfolio, The Penn Traffic Company (Pink Sheets: PTFC.PK) announced today that it will be closing 8 stores, effective Saturday, February 7, 2009.

The eight store closings are:

- P&C Foods
  - 4141 S. Salina Street (Valley Plaza) Syracuse, NY
  - 2078 State Rt. 481 Fulton, NY
  - 315 Genesee Street Auburn, NY
  - 1222 Arsenal Street Watertown, NY
  - 1503 Canandaigua Road Macedon, NY
  - 1184 Prim Rd Colchester, VT
  - 6710 Route 31 East Newark, NY
- Quality Markets
  - East Fourth Street Dunkirk, NY

According to Greg Young, Penn Traffic President and Chief Executive Officer, the decision to discontinue operation of the eight stores is consistent with Penn Traffic's ongoing effort to improve the financial stability of the company.

"Closing any store is a difficult decision. We have a responsibility to our associates, customers and shareholders to continually assess each and every component of our business to look for ways to improve the health and well-being of our company. We're grateful for the loyalty and hard work of the affected employees, and offer our customers in these markets area our heartfelt thanks for their patronage," Young commented.

The eight stores scheduled to close employ approximately 342 associates. Penn Traffic will work with the employees and their union representatives to help find the best solution for affected associates.

Store closing-related details will be communicated to shoppers via the store's weekly advertisements in local newspapers as well as in-store flyers and signage.

Penn Traffic, which currently employs approximately 6,600 associates, has devoted resources to key locations, enhancing store exteriors and interiors and improving the customers' overall

shopping experience. The company expects to continue and accelerate that process in its core store portfolio.

**About Penn Traffic**

The Penn Traffic Company, headquartered in Syracuse, N.Y., operates 91 supermarkets in Upstate New York, Pennsylvania, Vermont and New Hampshire under the P&C, Quality and BiLo banners. More information on the company may be found at [www.penntraffic.com](http://www.penntraffic.com).

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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 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. 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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FOR PENN TRAFFIC:

Investors and business/financial media contact Jeffrey Schoenborn of Travers, Collins & Company Investor Relations, 716.842.2222, jschoenborn@traverscollins.com.

Trade and local media contact Chuck Beeler of Eric Mower and Associates, 315.413.4346, cbeeler@mower.com.