

THE PENN TRAFFIC COMPANY

FOR IMMEDIATE RELEASE: August 31, 2009

PENN TRAFFIC ANNOUNCES RESIGNATION OF CHIEF FINANCIAL OFFICER, EFFECTIVE SEPTEMBER 18, AND NAMES INTERIM CFO

SYRACUSE, N.Y. –The Penn Traffic Company (Pink Sheets: PTFC) announced that Senior Vice President and Chief Financial Officer Tod A. Nestor will resign effective September 18 to join New York-based Fairway Market as its CFO.

Nestor will transition his duties to Penn Traffic Controller Eric Sattler, who was today appointed Vice President, Finance, and will serve as Penn Traffic's interim CFO, effective September 18. The company has commenced a formal search for a permanent successor.

"Over the last two years, we've assembled a talented and experienced grocery and retail management team," President and Chief Executive Officer Gregory J. Young said. "Together, we've made extraordinary strides in stabilizing the business, enhancing our merchandising and marketing strategies, strengthening our balance sheet, improving our cost structure, and resolving the company's major legacy legal issues. We thank Tod for his contributions to our team and wish him the best in his new endeavor."

Interim CFO Sattler has more than 20 years of financial, accounting, operational and general management experience. He has served as Penn Traffic's controller since 2005 and in a variety of other senior finance positions at the company since 1993. Sattler earned an M.B.A. in finance from Syracuse University and a B.S. in management science from the State University of New York at Geneseo.

"In addition to the many improvements we've made on the operational and financial side of our business, we've been developing and adding management talent throughout our corporate and administrative functions," Young added. "Eric is a prime example of the strength we have in key areas of our organization. He has the experience, skills and expertise we need to continue implementing key finance and accounting initiatives as we execute our strategy for rebuilding Penn Traffic."

About Penn Traffic

The Penn Traffic Company owns and operates supermarkets under the P&C, Quality and BiLo trade names in Upstate New York, Pennsylvania, Vermont and New Hampshire. Headquartered in Syracuse, N.Y., Penn Traffic's conventional supermarkets offer value pricing, fresh and local products, and full-service stores in convenient neighborhood locations. The regional retailer's P&C Fresh supermarkets combine all the features of conventional-format stores with gourmet, premium and store-made fresh products, as well as ready-to-eat foods, easy-to prepare meals and expanded natural and organic product offerings. Retail supermarkets and consumers became Penn Traffic's primary focus with the sale of its wholesale business segment during fiscal 2009. More information on the company may be found at www.penntraffic.com.

Forward Looking Statements

This press release contains forward-looking statements, within the meaning of 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", "may", 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: risk factors set forth in the company's annual report on Form 10-K for the fiscal year ended January 31, 2009; general economic and business conditions; economic and competitive uncertainties; 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 our indebtedness; 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; 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; the ability of the company to pursue strategic alternatives; 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, 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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