

PET VALU, INC.

Mailing Address: 121 McPHERSON STREET, MARKHAM, ONTARIO L3R 3L3
☎ (905) 946-1200 Fax: (905) 946-0659

PET VALU REPORTS 2006 FIRST QUARTER EARNINGS PER SHARE OF US\$0.12 (C\$0.14)

All financial results are expressed in U.S. dollars unless otherwise indicated

Markham, Ontario, May 11, 2006. Pet Valu, Inc. (TSX stock symbol for Pet Valu Canada Inc., Pet Valu, Inc.'s publicly traded Canadian operating subsidiary, is PVC) announced today unaudited first quarter results for fiscal 2006. On a consolidated basis, net income was \$0.9 million or \$0.12 per share as compared to \$0.8 million or \$0.11 per share for the first quarter of fiscal 2005. Earnings per share were \$0.98 (C\$1.17) for the most recent 52 week period ending April 1, 2006.

(in thousands of U.S. dollars, except EPS)

	13 Weeks ended Apr 1, 2006	13 Weeks ended Apr 2, 2005
No. of Stores	350	349
Sales and Revenue	\$34,081	\$31,917
Gross Profit	\$9,223	\$8,099
EBITDA	\$2,736	\$2,526
Net Income	\$922	\$808
Basic EPS	\$0.12	\$0.11
Fully Diluted EPS	\$0.11	\$0.10

EBITDA is not a recognized measure under GAAP. As this measure does not have a standardized meaning prescribed by GAAP, the Company's method of calculating EBITDA may differ from other companies. The Company believes that EBITDA is a useful supplemental measure as it provides investors with an indication of cash available prior to debt service, capital expenditures and income taxes.

Comparable store sales for the thirteen week period ending April 1, 2006 increased by 1.1% in the U.S. as compared to the thirteen week period ending April 2, 2005. In Canada, comparable store sales for the thirteen week period ending April 1, 2006 increased by 0.7% as compared to the thirteen week period ending April 2, 2005. During the quarter, the Company continued with the implementation of programs designed to shift its product offering to higher-margin, high-quality pet products.

CANADIAN OPERATIONS

(in thousands of U.S. dollars)

	13 Weeks ended Apr 1, 2006	13 Weeks ended Apr 2, 2005
No. of Stores	283	288
Sales and Revenue	\$25,661	\$23,884
Gross Profit	\$6,915	\$5,829
EBITDA	\$2,489	\$2,167
Net Income	\$769	\$572

Sales and revenue from Canadian operations for the first quarter of fiscal 2006 were greater than the first quarter of fiscal 2005 due to an increase in the comparable store sales, an increase in the U.S./Canadian foreign currency exchange rate and an increase in the number of corporate stores. Increases in gross profit and cash flow represented by EBITDA were primarily due to the introduction of more higher-

margin, high-quality products and reductions in the Canadian dollar cost of U.S. sourced products. Both store operating expenses and general and administrative expenses were higher than the prior year. The increase in the number of corporate stores contributed to the increase in store operating expenses. Increases in expenses relating to financing activities and new product procurement and development contributed to the increase in general and administrative costs.

U.S. OPERATIONS

(in thousands of U.S. dollars)

	13 Weeks ended Apr 1, 2006	13 Weeks ended Apr 2, 2005
No. of Stores	67	61
Sales and Revenue	\$8,420	\$8,033
Gross Profit	\$2,432	\$2,394
EBITDA	\$370	\$483
Net Income	\$277	\$362

The opening of eight new stores and the closure of two stores in the U.S. during the last 12 months has contributed to an increase in sales and gross profit but resulted in a negative contribution to net income. Net income from new stores is often negative for the first year of operation as a result of lower sales levels and store opening advertising costs. As new stores mature during the following two years of operation, they normally contribute positively to net income.

OUTLOOK

One of the Company's objectives is the reduction of interest expense. During the balance of 2006, the Company plans to utilize the proceeds from the exercise of warrants expiring on July 24, 2006 plus the proceeds of its previously announced private placement in combination with its bank line availability at the time, to retire all 8.5% debt maturing on July 24, 2006 as well as a portion of the 12.5% debentures due in September, 2009. The extent of the combined proceeds available from these three sources is unknown at this time and, therefore, the extent of a decline in interest expense cannot be predicted.

A second objective is to improve our technological systems and increase automation. A definitive competitive advantage in this area should be achievable and the cost is not expected to be substantial as the work will, for the most part, be completed in-house.

A third objective is to assess the Company's practices, systems and strategies and to ensure that they are compatible with "best practices" as they apply in the coming decade. An internal "corporate re-engineering group" has been formed, including the recent recruitment of high talent individuals from the consulting industry, to complete this objective along with various other corporate projects. Once major projects have been completed, members of this group will be absorbed into the executive body of the Company in order to manage expected business growth.

Among the key projects of the Company in 2006 being undertaken by the new corporate re-engineering group is the development of a new U.S. market expansion plan. This plan will address all strategies and activities required to effect profitable U.S. niche positioning on and outside the eastern seaboard. Similarly, the corporate re-engineering group will assess the feasibility and best strategies to expand in Canada to Alberta and British Columbia. Any U.S. or Canadian expansion will only be undertaken if and when it is determined to be worthwhile to do so in balance with other opportunities.

In general, the focus of the Company will be on growth in earnings and cash flow with a strong emphasis on building for the future.

This news release contains discussion of forward-looking information and potential future circumstances and developments. The discussion of such matters is qualified by the inherent risks and uncertainties surrounding future expectations generally. Actual results and developments may therefore differ materially from those described in this release.

Pet Valu is a specialty retailer of pet food and pet supplies operating Company-owned and franchised locations in Canada and the U.S.

For further information, please contact:

Michael Fitzgerald

Secretary

(905) 946-1200, extension 3503