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## PET VALU REPORTS 2006 THIRD QUARTER EARNINGS PER SHARE OF \$0.25 (C\$0.28)

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

Markham, Ontario, November 9, 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 third quarter results for fiscal 2006. On a consolidated basis, net income was \$2,126,000 or \$0.25 per share as compared to \$1,420,000 or \$0.19 per share for the third quarter of fiscal 2005. Earnings per share were \$1.08 (C\$1.23) for the most recent 52-week period ending September 30, 2006 as compared to \$0.75 (C\$0.92) for the 52-week period ending October 1, 2005.

	13 Weeks ended September 30, 2006	13 Weeks ended October 1, 2005	39 Weeks ended September 30, 2006	39 Weeks ended October 1, 2005
No. of Stores	351	346	351	346
Sales and Revenue	\$37,454,000	\$33,307,000	\$107,036,000	\$96,843,000
Gross Profit	\$11,169,000	\$9,042,000	\$30,311,000	\$25,582,000
EBITDA	\$4,599,000	\$3,417,000	\$10,510,000	\$8,884,000
Net Income	\$2,126,000	\$1,420,000	\$4,267,000	\$3,241,000
Basic EPS	\$0.25	\$0.19	\$0.54	\$0.43
Fully Diluted EPS	\$0.21	\$0.16	\$0.46	\$0.38

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 September 30, 2006 increased by 5.8% in Canada as compared to the thirteen week period ending October 1, 2005. In the U.S., comparable store sales for the thirteen week period ending September 30, 2006 increased by 1.4% as compared to the thirteen week period ending October 1, 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

	13 Weeks ended September 30, 2006	13 Weeks ended October 1, 2005	39 Weeks ended September 30, 2006	39 Weeks ended October 1, 2005
No. of Stores	284	283	284	283
Sales and Revenue	\$28,726,000	\$24,926,000	\$81,211,000	\$72,255,000
Gross Profit	\$8,833,000	\$6,631,000	\$23,244,000	\$18,562,000
EBITDA	\$4,207,000	\$3,064,000	\$9,518,000	\$7,811,000
Net Income	\$1,834,000	\$1,171,000	\$3,578,000	\$2,511,000

An increase in comparable store sales and an increase in the U.S./Canadian dollar foreign currency exchange rate contributed to the increase in sales and revenue for the quarter and for the year to date. Increases in gross profit and cash flow represented by EBITDA were primarily due to increasing sales, the introduction of more higher-margin, high-quality products, and a reduction 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. An increase in the number of corporate stores contributed to the increase in store operating expenses, and an increase in management capacity and certain one-time costs related to refinancings contributed to increased general and administrative costs.

### U.S. OPERATIONS

	13 Weeks ended September 30, 2006	13 Weeks ended October 1, 2005	39 Weeks ended September 30, 2006	39 Weeks ended October 1, 2005
No. of Stores	67	63	67	63
Sales and Revenue	\$8,728,000	\$8,381,000	\$25,825,000	\$24,588,000
Gross Profit	\$2,460,000	\$2,535,000	\$7,440,000	\$7,393,000
EBITDA	\$516,000	\$476,000	\$1,365,000	\$1,445,000
Net Income	\$416,000	\$373,000	\$1,062,000	\$1,103,000

An increase in comparable store sales and in the number of U.S. stores contributed to the increase in sales and revenue in the U.S. An increase in the number of stores also contributed to the increase in store operating expenses and store occupancy costs, which, in turn, contributed to a reduction in gross profit, for the third quarter of fiscal 2006.

### OUTLOOK

The key objectives of the Company include a reduction of net interest expense and financial leverage. The repayment of C\$15.1 million of debt on July 24, 2006, offset somewhat by the issuance of C\$8.8 million of new debt on the same date, and the prepayment of C\$15 million of debt on October 31, 2006, have contributed to the achievement of these objectives. The Company continues to evaluate the possibility of further long-term debt prepayments, as well as the repurchase of other securities that will simplify Pet Valu's financial structure.

Another ongoing objective to receive priority this year and through 2007 is to improve our technological systems and increase automation, including an expansion of IT facilities and capacities. A definitive competitive advantage in this area should be achievable and the cost of related software development is not expected to be substantial as the work will, for the most part, be completed in house.

Our program 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, is proceeding on track and will be pursued during 2007. An internal group has been formed, including the recent recruitment and planned recruitment of strong additions to our management team, to pursue this objective.

The Company's "re-niching" under the "Better Pet Nutrition" concept, including enhancements to store ambience and signage along with a continued shift in product offerings to high quality products featuring a wellness-focused approach to pet nutrition is also proceeding on track and will continue through 2007.

Among the key projects of the Company currently being pursued 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. Similarly, the Company will assess the feasibility and best strategies to expand in Western Canada. 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.

Finally, the Company intends to pursue its priority in the area of product development in combination with the pursuit of strategies relating to the development and protection of associated intellectual property.

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.

Certain information in this news release is forward-looking and is subject to important risks and uncertainties. Forward-looking information includes information concerning the Company's future financial performance, business strategy, plans, goals, objectives, business prospects and opportunities. The forward-looking information reflects predictions and does not in any way reflect a guarantee. Factors which could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; competitive conditions in the businesses in which the Company participates; changes in consumer spending; the outcome of legal proceedings as they arise; general economic conditions and normal business uncertainty; the availability of suitable store locations; customer preferences towards product offerings; adverse climate changes; the occurrence of a pandemic or other catastrophic event which could create shortages of labour, products or services required to operate the business profitably; fluctuations in foreign currency exchange rates; changes in the Company's relationship with its merchandise and service suppliers; interest rate fluctuations and other changes in borrowing costs; and changes in laws, rules and regulations applicable to the Company or the markets in which the Company operates. The Company cautions that this is not an exhaustive list of factors that may affect the forward-looking information in this news release. Potential investors and readers are urged to give careful consideration to all of these factors in evaluating any forward-looking information and are cautioned not to place undue reliance on such information. While the Company believes that its forecasts and assumptions are reasonable, results or events predicted in this forward-looking information may differ materially from actual results or events.

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

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