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PET VALU REPORTS 62% INCREASE IN NET INCOME FOR FIRST QUARTER OF FISCAL 2008 AND ANNOUNCES FORMATION OF SPECIAL COMMITTEE TO CONSIDER STRATEGIC ALTERNATIVES

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

Markham, Ontario, April 30, 2008. Pet Valu, Inc. announced today first quarter results for fiscal 2008. On a consolidated basis, net income for the quarter ended March 29, 2008 was \$2.8 million or \$0.32 per share as compared to net income of \$1.7 million or \$0.20 per share for the first quarter of fiscal 2007. Earnings per share for the most recent 52 week period ending March 29, 2008 were \$1.54.

(in thousands of U.S. dollars)

| | 13 Weeks ended March 29, 2008 | 13 Weeks ended March 31, 2007 |
|-----------------------|----------------------------------|----------------------------------|
| No. of Stores | 341 | 350 |
| System-wide Sales | \$53,270 | \$45,300 |
| Sales and Revenue | \$42,800 | \$35,893 |
| Gross Profit | \$13,511 | \$10,246 |
| EBITDA ⁽¹⁾ | \$5,227 | \$3,528 |
| Net Income | \$2,838 | \$1,749 |
| Basic EPS | \$0.32 | \$0.20 |
| Fully Diluted EPS | \$0.28 | \$0.17 |

There were no non-comparable items for the first quarter of 2008.

SALES

Comparable store sales for the thirteen week period ending March 29, 2008 increased by 5.1% in Canada and by 7.0% in the United States as compared to the thirteen week period ending March 31, 2007. During the quarter, higher margin high-quality pet product sales have continued to show strong growth and a more positive shopping experience for the customers has contributed to higher sales.

CANADIAN OPERATIONS

(in thousands of U.S. dollars)

| | 13 Weeks ended March 29, 2008 | 13 Weeks ended March 31, 2007 |
|-------------------|----------------------------------|----------------------------------|
| No. of Stores | 279 | 281 |
| System-wide Sales | \$44,582 | \$36,491 |
| Sales and Revenue | \$34,107 | \$27,077 |
| Gross Profit | \$11,098 | \$7,755 |
| EBITDA | \$4,888 | \$3,231 |
| Net Income | \$2,517 | \$1,522 |

U.S. OPERATIONS

(in thousands of U.S. dollars)

| | 13 Weeks ended March 29, 2008 | 13 Weeks ended March 31, 2007 |
|-------------------|----------------------------------|----------------------------------|
| No. of Stores | 62 | 69 |
| System-wide Sales | \$8,688 | \$8,809 |
| Sales and Revenue | \$8,692 | \$8,816 |
| Gross Profit | \$2,413 | \$2,491 |
| EBITDA | \$339 | \$422 |
| Net Income | \$320 | \$352 |

OUTLOOK

Store Expansion:

Growth in sales has been exceptionally strong as a result of increased sales through existing stores. Going forward, we expect significant store expansion in Canada through greenfield development, as well as acquisitions that meet profit targets, eliminate competitors in the marketplace and otherwise realize synergies. Our target is to add 25-30 stores in Canada by the end of the year. In the U.S., while we believe that there is a strong niche opportunity to pursue, the U.S. market is quite different from the Canadian market and is more competitive. The Company previously initiated a “fast growth” program in the U.S. that was not very successful and caused earnings and share price to suffer. In its dissident information circular, Goodwood, Inc. speaks to the need for rapid growth in Pet Valu’s store base without setting out a detailed plan for doing so or any basis for avoiding costly errors. We believe that expansion in the U.S. should only be pursued in a manner which draws upon our previous experience. As a result, the focus of the Company’s growth plans will first be in Canada.

Whitby Warehouse Initiative:

As previously stated, it was the Company's plan to commence construction of a centralized warehouse this year in Whitby, Ontario. Like many other successful retailers who have invested in warehouse automation, Pet Valu also considered automation, albeit on a smaller scale, with the expectation of generating significant improvements to cash flow and earnings. The final determination as to warehouse design is still being assessed and the project remains subject to the completion of a cost/benefit analysis. The Whitby warehouse initiative would have been validated through savings in rents and labour resulting from warehouse consolidation, while providing the necessary distribution facilities to accommodate projected expansion. An automated warehouse would have been financed through cash from existing operations, a conventional mortgage and a possible extension of existing subordinated debentures largely held by current directors of the Company.

However, after Goodwood, a hedge fund shareholder, launched a dissident proxy contest to replace the current directors with seven nominees of its choosing, who have no experience in Pet Valu’s business and no financial stake in its success, the current directors holding such subordinated debentures recently decided not to exercise their options to extend the debenture term for another two years. This option to extend had to be exercised by April 25, 2008. As such, approximately \$9 million in subordinated debentures which the Company expected to have to finance profitable

initiatives is no longer available, and the warehousing initiative has been deferred.

Liquidity:

In the expectation of continued high earnings growth, the current board was not pursuing a sale of the Company or its shares. However, prior to Goodwood filing its dissident information circular, the Company was approached by a credible potential acquirer. The Company was advised at that time by Geoffrey Holt, whose family controls approximately 30% of the Company's voteable shares, that he would seriously entertain a proposal that was fair to shareholders and compatible with the interests of other stakeholders such as employees and franchisees who have been pivotal in creating the value of the Company. However, as a result of Goodwood's dissident actions, the potential acquirer indicated that it was not prepared to proceed at this time.

The current Board of Directors has appointed a special committee of independent directors comprised of Gary Goertz, Tony Iordanis, Darryl Squires and C. Ian Ross as Chair to consider future strategic alternatives available to the Company.

In short, although the Company believes that the Pet Valu business will continue to prosper and that there will be liquidity opportunities for all shareholders if the Company continues under the direction of the current board and management team, the Company has no such confidence if Goodwood's nominees are elected and urges shareholders to re-elect the current board at the upcoming May 8, 2008 annual and special meeting.

NON-GAAP FINANCIAL MEASURES

⁽¹⁾ 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.

FORWARD-LOOKING STATEMENTS

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.

COMPANY PROFILE

Pet Valu is a specialty retailer and wholesaler of pet food and pet-related supplies and a franchisor of pet food and pet-related supply outlets. The TSX stock symbol for Pet Valu Canada Inc., Pet Valu, Inc.'s publicly traded Canadian operating subsidiary, is PVC.

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