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## **PET VALU REPORTS EARLY REPAYMENT OF CAD\$15 MILLION DEBENTURE DEBT**

Markham, Ontario, October 31, 2006. In accordance with a previously announced objective to reduce interest expense and financial leverage, Pet Valu Canada Inc. (TSX stock symbol: PVC) prepaid today the entire principal amount owing under a 12.5% secured subordinated debenture held by Penfund Mezzanine Limited Partnership II (the "Debenture"), otherwise due on September 30, 2009. The total amount repaid was CAD\$15,309,246.58, representing principal of CAD\$15,000,000, a prepayment premium of CAD\$150,000, and accrued interest to October 31, 2006 of CAD\$159,246.58.

Prepayment was made from a variety of sources, including a CAD\$5,000,000 term loan from the Company's principal bank, cash flow from operations, funds generated from a private placement of subordinated debt completed on July 24, 2006 and funds received from the exercise of warrants which expired on July 24, 2006.

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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