



State Line Tack and Brockport, NY Facility Fact Sheet

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What did PetSmart announce?

- PetSmart today announced the sale of its State Line Tack equine assets to PetsUnited, the privately-held holding company for a web-based multi-marketer of pet and equine products, including dog.com, fish.com and horse.com. The sale, which closed today, includes the State Line Tack brand, inventory, customer lists and certain assets. Terms of the deal were not disclosed. PetSmart announced its plans to exit the equine business in February.

What will happen next?

- PetsUnited said it will move the State Line Tack business from Brockport, NY, to its Hazelton, Penn. facility in the next 60 days. However, online and catalog orders will continue to be received and shipped during this period under a transition agreement with PetSmart.
- PetSmart will now pursue opportunities to sell its 396,000-square-foot Brockport facility, which includes a warehouse, call center and retail store located on approximately 32 acres of land.
- The PetSmart store in Brockport will close August 25.
- Call center and fulfillment operations for the company's online pet business will move to an outside e-commerce provider by Sept. 1.
- The Brockport facility is expected to be fully vacated by the end of October.
- We'll continue with our plan to close the 180 State Line Tack departments inside our stores by Dec. 1, and we'll use the new space to offer a bigger selection of pet products or to add PetsHotels, our overnight pet boarding facilities which are in high demand from our customers.

Why did PetSmart make this decision?

- The equine business is much different from our core pet product and services business and we are not organized to focus on it. We've concluded that exiting State Line Tack and focusing solely on our core pet product and services is the best thing for our business. With equine out of the equation, it does not make economic sense to operate the Brockport distribution center solely for our pet e-commerce business.
- We felt it was in the best interest of our shareholders, our customers and our associates to focus our energy and our investments and the areas of the business where we have the best opportunities to grow and create value over the long term.
- This change leaves us with a strong, growing core business. It allows us to continue to focus on and invest in products and services for dogs, cats, birds and critters. These pieces of the business work well together and we have no plans to exit any of them.

What will happen to the associates?

- Although we had hoped that a prospective buyer for the State Line Tack business would be interested in operating from Brockport, this unfortunately is not the case. PetsUnited plans to operate the business from its Hazleton, Penn. facility. About 270 people work in our Brockport, New York facility including the store. All associates will be given 60-day written notice before their job is eliminated.
- The approximately 240 associates who work at the Brockport distribution center and call center will be laid off in stages over the next six months as the company phases out operations. The approximately 30 store associates will be offered positions in stores in nearby cities if they are willing to relocate. Laid off associates and those not willing to relocate will be provided severance and outplacement services.
- When we first announced the decision to exit the State Line tack business in February, we had about 425 associates working in State Line Tack departments inside our stores. We're making every effort to offer them jobs in other areas of the store or in nearby PetSmart stores. In the cases where there isn't a job available for a displaced associate, or the associate chooses not to take a job, we're offering severance benefits to those who remain with PetSmart through the closure of the State Line Tack at their store.

What will happen to Lollypop Farm?

- As part of this transition, we're working with our friends at Lollypop Farm, which has been a great adoption partner. They've done a lot for homeless pets in the community and we want to be sure they're able to continue their great work.

About State Line Tack

- State Line Tack opened a single retail outlet in 1980 in Plaistow, New Hampshire. In an effort to generate more business, the company began sending discount circulars to its customers. Those circulars grew into extensive catalogs, laying the groundwork for State Line's primary sales tool – direct mail.
- On January 30, 1996, PetSmart acquired State Line Tack, the leading worldwide catalog operator specializing in discount brand name tack, riding apparel and equine supplies.
- PetSmart has operated the catalog business and e-commerce equine business from Brockport and from 180 equine departments inside its stores.

About the PetSmart facility in Brockport, NY

- The Brockport facility covers approximately 396,000 square feet. It houses our equine and pet catalog and e-commerce businesses, including all of the inventory, the call center, and a PetSmart retail store.
- In May 1995, PetSmart acquired its Brockport warehouse and catalog fulfillment center from Sporting Dog, a catalog retailer of pet and animal supplies and accessories.
- After the acquisition of State Line Tack was finalized in 1996, PetSmart integrated the State Line Tack warehouse and catalog fulfillment facilities into the Brockport facility.
- The retail store, which is part of the Brockport facility, opened in February of 2002.

About PetSmart in the state of New York

- PetSmart currently operates 28 stores in the state of New York, employing 1106 associates.
- We plan to open an additional 10 PetSmart stores in New York in 2007 and 2008, which will bring 300-400 new jobs to the state.

About PetSmart

PetSmart, Inc. is the largest specialty pet retailer of services and solutions for the lifetime needs of pets. The company operates more than 908 pet stores in the United States and Canada, a growing number of in-store PetsHotel cat and dog boarding facilities, and is a leading online provider of pet supplies and pet care information (www.petsmart.com). PetSmart provides a broad range of competitively priced pet food and pet products; and offers complete pet training, pet grooming, pet boarding, doggie day camp and pet adoption services. Since 1994, PetSmart Charities, Inc., an independent 501(c)(3) non-profit animal welfare organization, has donated more than \$52 million to animal welfare programs and, through its in-store pet adoption programs, has saved the lives of more than 2.9 million pets.

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