



19601 North 27th Avenue • Phoenix, Arizona 85027 • (623) 580-6100  
July 24, 2007

Kathleen Wilsbach  
President  
House Rabbit Society  
148 Broadway  
Richmond, CA 94804

Dear Ms. Wilsbach,

Thank you for your recent letter. Mr. Moran and our executive team are well aware of the issues you raise and he asked that I respond on his behalf.

We respect your viewpoint and applaud the efforts your organization makes to rescue, shelter and find permanent homes for relinquished rabbits. Your chapters are among the more than 50 rabbit-exclusive organizations that partner with our stores to adopt out rabbits. We value these partnerships and have adopted out more than 2,000 rabbits in our stores in the past two years thanks to them. We plan to continue to provide rabbit adoptions with these partners as well as other qualified groups that may apply.

I think we can agree that rabbits make wonderful family pets under the right circumstances. And while we may disagree on how people should obtain their pets, we agree that pets introduced into the marketplace should be from a reputable and responsible source and that pet parents need to be fully informed to accept responsibility for meeting their pets' needs.

PetSmart is all about strengthening the bond between humans and pets no matter what source originated the relationship. We strive to be thoughtful and careful in approaching new business endeavors and are guided by our vision of Total Lifetime Care for pets. Our name and reputation depend on our ability to provide healthy pets, to care for them properly and to adequately inform prospective pet parents of a pet's unique needs. That's why we conduct in-store tests first, as we are doing currently with neutered rabbits and several other types of pets, before making any decisions to proceed.

During test periods, we collect a wide range of data and listen carefully to our customers, associates and other key stakeholders. In this test, in addition to the obvious sales data we'll be collecting, we'll seek additional information about pet behavior, health, care, relinquishment issues and try to better understand the relationship between pet sales and adoptions.

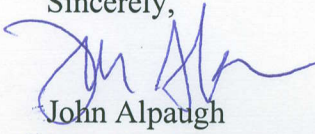
We are seeking input from animal welfare organizations and adoption partners including those, like yours, that are tied exclusively to rabbits as well as those who rescue and adopt out a variety of pets. We are committed to obtaining as much information as possible during this test.

The strong feelings some of the adoption community has about this test are understandable. We know you have questions about our choice of breed, sales vs. adoption, training curricula, breeders, return policies, staff qualifications and so on. But rather than debate these at this time, we prefer to focus on your overall concerns, which we are taking seriously. We sincerely hope our future exchanges can be productive and to our mutual benefit.

Adoption remains a central value of the company (we adopt out on average more than 1,000 pets a day and reached the 3 million milestone last month). We are testing the rabbit market believing that adoption and responsible sales can successfully coexist. We remain committed to expanding and enhancing our adoption capabilities in collaboration with our adoption partners during this test.

Thanks again for sharing your concerns with us.

Sincerely,



John Alpaugh

Vice President, Specialty Merchandising

cc: B. Moran  
P. Francis  
D. Lenhardt  
M. Miller  
S. Engelhard Craighead