

**PetSmart, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Income**  
(in thousands, except per share and store data)  
(Unaudited)

	Thirteen Weeks Ended		Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirty-Nine Weeks Ended	
	October 30, 2011	% of Sales	October 31, 2010	% of Sales	October 30, 2011	% of Sales	October 31, 2010	% of Sales
Merchandise sales	\$ 1,326,819	88.6%	\$ 1,230,911	88.7%	\$ 3,941,641	88.1%	\$ 3,681,188	88.2%
Services sales	161,339	10.8%	148,282	10.7%	506,380	11.3%	466,874	11.2%
Other revenue	9,399	0.6%	8,877	0.6%	27,455	0.6%	25,701	0.6%
Net sales	1,497,557	100.0%	1,388,070	100.0%	4,475,476	100.0%	4,173,763	100.0%
Cost of merchandise sales	940,960	62.8%	880,556	63.4%	2,777,172	62.1%	2,619,624	62.8%
Cost of services sales	119,038	8.0%	109,652	7.9%	364,290	8.1%	338,866	8.1%
Cost of other revenue	9,399	0.6%	8,877	0.6%	27,455	0.6%	25,701	0.6%
Total cost of sales	1,069,397	71.4%	999,085	72.0%	3,168,917	70.8%	2,984,191	71.5%
Gross profit	428,160	28.6%	388,985	28.0%	1,306,559	29.2%	1,189,572	28.5%
Operating, general and administrative expenses	326,964	21.8%	305,345	22.0%	973,404	21.7%	910,664	21.8%
Operating income	101,196	6.8%	83,640	6.0%	333,155	7.4%	278,908	6.7%
Interest expense, net	(14,038)	-0.9%	(14,289)	-1.0%	(42,740)	-1.0%	(44,222)	-1.1%
Income before income tax expense and equity in income from Banfield	87,158	5.8%	69,351	5.0%	290,415	6.5%	234,686	5.6%
Income tax expense	(33,826)	-2.3%	(26,386)	-1.9%	(110,356)	-2.5%	(91,300)	-2.2%
Equity in income from Banfield	2,826	0.2%	2,648	0.2%	8,184	0.2%	6,205	0.1%
Net income	<u>\$ 56,158</u>	<u>3.7%</u>	<u>\$ 45,613</u>	<u>3.3%</u>	<u>\$ 188,243</u>	<u>4.2%</u>	<u>\$ 149,591</u>	<u>3.6%</u>
Earnings per common share:								
Basic	<u>\$ 0.50</u>		<u>\$ 0.39</u>		<u>\$ 1.67</u>		<u>\$ 1.27</u>	
Diluted	<u>\$ 0.50</u>		<u>\$ 0.38</u>		<u>\$ 1.65</u>		<u>\$ 1.25</u>	
Weighted average shares outstanding:								
Basic	111,330		116,943		112,425		117,333	
Diluted	113,081		119,360		114,399		119,771	
Stores open at beginning of each period	1,197		1,164		1,187		1,149	
Stores opened during each period	15		10		28		29	
Stores closed during each period	<u>(2)</u>		<u>(2)</u>		<u>(5)</u>		<u>(6)</u>	
Stores open at end of each period	1,210		1,172		1,210		1,172	

**PetSmart, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except par value)  
(Unaudited)

	<u>October 30, 2011</u>	<u>January 30, 2011</u>	<u>October 31, 2010</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 271,252	\$ 291,949	\$ 235,407
Short-term investments	19,555	9,708	-
Restricted cash	61,439	61,439	46,515
Receivables, net	65,709	53,971	43,108
Merchandise inventories	707,997	615,841	687,825
Deferred income taxes	44,999	44,999	36,805
Prepaid expenses and other current assets	88,908	46,022	91,822
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Total current assets	1,259,859	1,123,929	1,141,482
Property and equipment, net	1,064,993	1,132,435	1,150,286
Equity investment in Banfield	35,082	42,858	38,691
Deferred income taxes	95,426	96,215	86,199
Goodwill	44,266	44,111	43,555
Other noncurrent assets	34,336	30,672	29,140
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Total assets	<u>\$ 2,533,962</u>	<u>\$ 2,470,220</u>	<u>\$ 2,489,353</u>
<b>Liabilities and Stockholders' Equity</b>			
Accounts payable and bank overdraft	\$ 228,431	\$ 168,776	\$ 201,564
Accrued payroll, bonus and employee benefits	149,032	139,359	125,563
Accrued occupancy expenses and deferred rents	72,563	64,328	67,606
Current maturities of capital lease obligations	52,446	45,277	43,503
Other current liabilities	169,733	156,065	155,655
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Total current liabilities	672,205	573,805	593,891
Capital lease obligations	511,984	521,552	528,270
Deferred rents	82,565	86,027	87,479
Other noncurrent liabilities	121,068	118,194	107,078
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Total liabilities	1,387,822	1,299,578	1,316,718
Stockholders' Equity:			
Preferred stock; \$.0001 par value	-	-	-
Common stock; \$.0001 par value	16	16	16
Additional paid-in capital	1,290,152	1,222,340	1,201,158
Retained earnings	1,420,471	1,277,803	1,201,957
Accumulated other comprehensive income	5,731	5,380	4,478
Less: Treasury stock	(1,570,230)	(1,334,897)	(1,234,974)
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Total stockholders' equity	1,146,140	1,170,642	1,172,635
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Total liabilities and stockholders' equity	<u>\$ 2,533,962</u>	<u>\$ 2,470,220</u>	<u>\$ 2,489,353</u>