



Pep Boys Completes Successful Sale Lease Back Transaction

PHILADELPHIA – July 30, 2008 – The Pep Boys – Manny, Moe & Jack (NYSE: "PBY"), the nation's leading automotive aftermarket retail and service chain, announced that it closed the sale of 22 properties for an aggregate purchase price of \$77.5 million. Coincident with such sales transaction, the Company entered into agreements to lease such properties back to be operated as Pep Boys stores, for a lease term of 15 years, with four 5-year options.

“We are pleased to have completed this transaction, the proceeds of which, along with cash on hand, satisfied our synthetic lease purchase obligation,” said Pep Boys Chief Financial Officer Ray Arthur. “In addition, the transaction improved our liquidity by freeing up additional availability on our revolving credit facility and further demonstrates the underlying value of our remaining owned real estate.”

Proceeds from the transaction, together with cash on hand, were used to purchase, for \$116.3 million, 27 store properties and two distribution centers that had been leased by the Company under a master operating lease scheduled to expire on August 1, 2008. Eight of the store properties purchased were sold in the announced sale lease back transaction. The remaining 19 store properties and two distribution centers were added to the Company's balance sheet.

Since the fourth quarter of 2007, the Company has completed four sale leaseback transactions on 97 store properties for aggregate proceeds of \$376.7 million. The Company still owns 235 of the 562 stores that it operates and four of its five distribution centers.

As a result of the termination of the master operating lease, availability on the Company's line of credit increased by \$73.9 million, raising the Company's current excess availability thereunder to \$233.1 million.

About Pep Boys

Pep Boys has over 560 stores and approximately 6,000 service bays in 35 states and Puerto Rico. Along with its vehicle repair and maintenance capabilities, the Company also serves the commercial auto parts delivery market and is one of the leading sellers of replacement tires in the United States. Customers can find the nearest location by calling 1-800 -PEP-BOYS or by visiting www.pepboys.com.

Certain statements contained herein constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. The word "guidance," "expect," "anticipate," "estimates," "forecasts" and similar expressions are intended to identify such forward-looking statements. Forward-looking statements include management's expectations regarding future financial performance, automotive aftermarket trends, levels of competition, business development activities, future capital expenditures, financing sources and availability and the effects of regulation and litigation. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. The Company's actual results may differ materially from the results discussed in the forward-looking statements due to factors beyond the control of the Company, including the strength of the national and regional economies, retail and commercial consumers' ability to spend, the health of the various sectors of the automotive aftermarket, the weather in geographical regions with a high concentration of the Company's stores, competitive pricing, the location and number of competitors' stores, product and labor costs and the additional factors described in the Company's filings with the SEC. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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