



## Fact Sheet

### PEP BOYS CORPORATE PROFILE Operations

- Pep Boys is the only aftermarket service and retail chain in the nation that is capable of serving all four segments of the automotive aftermarket: the do-it-yourself, do-it-for-me, buy-for-resale and replacement tires.
- Pep Boys currently operates 630 stores (Supercenters and Service & Tire Centers) in 35 states and Puerto Rico. Pep Boys currently operates in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New Mexico, New York, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia and Washington.
- In 2010, prototypical Pep Boys Supercenters total 20,700 square feet, include 10 state-of-the-art service bays and feature an extensive assortment of top-quality automotive parts, accessories, tires, batteries, dealer-quality automotive repair and maintenance services, as well as a selection of powersports and non-automotive merchandise that appeals to “do-it-yourself” customers such as garage and shop tools and equipment, generators and seasonal merchandise.
- In 2010, prototypical Service & Tire Centers total 5,000 square feet, include six state-of-the-art service bays and offer a range of maintenance and repair services, including oil changes, tune-ups, tire installation and repair, brake repair and replacement, air conditioning, heating and cooling system repair, batteries, starters, alternators and check engine light evaluation and diagnosis. Some Service & Tire Centers also retail a small selection of bulbs, appearance chemicals and wiper blades.
- Pep Boys has approximately 6,300 service bays, over 11.6 million square feet of retail space and over 2.1 million square feet of warehouse space. Warehouses are located in Chester, NY; McDonough, GA (2); Mesquite, TX; San Bernardino, CA, Philadelphia, PA and Plainfield, IN. Pep Boys Warehouse Direct facilities – satellite warehouses with retail capabilities – are located in Norcross, GA; Las Vegas, NV and La Mirada, CA and total 60,473 square feet.
- Stores and service centers are open seven days, six nights a week; Sunday operating hours for Service & Tire Centers may vary.
- Pep Boys is headquartered in Philadelphia and has approximately 18,000 employees.
- Pep Boys was established in 1921 and its shares are publicly traded on the New York Stock Exchange under the symbol “PBY.” Total revenue for fiscal 2010 was in excess of \$1.9 billion.

(more)

## PEP BOYS CORPORATE PROFILE

### Page 2

- Tire, battery, vehicle accessory and hard parts customers benefit from the convenience of on-site service facilities at our Supercenters and Service & Tire Centers. Service customers benefit from having access to ASE-certified technicians and high-quality, name-brand parts in stock at discounted prices.
- Pep Boys prides itself on providing the best customer service and the highest-quality service work available anywhere. In addition, Pep Boys is committed to honesty and integrity in all of its business dealings – with employees, vendors and customers alike. Pep Boys' employees are responsible for upholding our values by following the service policies outlined in our Code of Ethics and Conduct.
- Pep Boys provides a variety of automotive repair services including: Scheduled maintenance services, oil changes and tune-ups, tire installation and repair, wheel alignments, brake repair and replacement, air conditioning, heating, cooling system repair, batteries, starters, alternators, shocks and struts, check engine light evaluation and diagnosis, engine repair and replacement as well as state inspections and emissions testing, timing belts, rack and pinion installations, radiator flush and fills, installation of accessories, belts and hoses, fuel system services and suspension repair (excluding internal engine repair).
- Pep Boys is a pioneering member of the Automotive Maintenance and Repair Association's MAP (Motorist Assurance Program) an industry-wide coalition dedicated to strengthening customer confidence in the automobile repair industry. Pep Boys was one of the first automotive repair chains in the country to implement a strict code of ethics, a comprehensive set of vehicle inspection guidelines and customer communications standards to provide customers with the level of understanding they need to make informed decisions about automotive service and repairs. Designed to assure consumers of the industry's professionalism and commitment to honesty, MAP's Uniform Inspection and Communication Standards (UICS) are used when explaining inspection results and service and repair recommendations for all major vehicle systems.

(more)

## **Financial Highlights**

### **Fourth Quarter Sales**

Sales for the fourth quarter of fiscal 2010 increased by \$24.5 million, or 5.4%, to \$477.4 million from \$452.9 million for the fourth quarter of fiscal 2009. Comparable store sales increased 4.3%, consisting of a 3.4% comparable store service revenue increase and a 4.6% comparable store merchandise sales increase. In accordance with GAAP, service revenue is limited to labor sales, while merchandise sales include merchandise sold through both our service center and retail lines of business. Re-categorizing sales into the respective lines of business from which they are generated, comparable store service center revenue (labor plus installed merchandise and tires) increased 5.8%, while comparable store retail sales (DIY and commercial) increased 3.1%.

### **Fiscal Year Sales**

Sales for fiscal year 2010 were \$1,988.6 million, as compared to \$1,910.9 million for fiscal 2009. Fiscal year 2010 comparable store sales increased 2.7%, consisting of increases of 1.1% in comparable store service revenue and 3.1% in comparable store merchandise sales. Re-categorizing sales (see above), comparable service center revenue increased 2.4%, while comparable retail sales increased 3.0%.



## Backgrounder

---

### PEP BOYS' HISTORY 90 Years of Automotive Excellence

Emanuel “Manny” Rosenfeld, Maurice “Moe” Strauss and W. Graham “Jack” Jackson are “The Pep Boys,” the industrious young men of vision who, in 1921, established a company that would become the billion dollar industry leader that it is today.

In 1921, however, this mega-chain had very humble beginnings in Philadelphia and was originally named Pep Auto Supplies. The naming of the company is now a legend and continues to spark amusement and curiosity. Before his death in 1982, Moe Strauss reminisced about the early days. “We were trying to think of a name for our store,” he recalled, “but we needed a name that was as short as possible...our first storefront was only a few feet across.” The partners were sitting around the store, the story continues, drinking nickel sodas and kicking around ideas for a name. Then someone noticed a shipment of Pep Valve Grinding Compound in the store, and that gave them the idea for Pep Auto Supplies.

The change to Pep Boys also has a serendipitous beginning. It came from a Philadelphia policeman who worked near the first store on 63rd and Market Streets. Every time he stopped a car at night for not having an oil wick burning, he would tell the driver to go see the “boys” at Pep to find a replacement. Common usage eventually gave rise to the name Pep Boys.

It was Moe Strauss’s trip to California in 1923, however, that brought about the official name of The Pep Boys – Manny, Moe, & Jack. Moe noticed that many of the successful businesses there used first names. “One of the dress shops was called Minnie, Maude, and Mabel’s,” Moe said. “When I came back from California, I had a friend — Harry Moscovitz — create the three big caricatures of Manny, Moe and Jack.”

The founders were determined, resourceful businessmen. Their enterprise survived the Great Depression and World War II and by the early 1960s, there were over 130 stores, primarily in the mid-Atlantic region and California. As Pep Boys expanded, the Company pioneered the Automotive Supercenter, typically measuring 18,200 square feet of space and including a large retail space featuring parts, tires, garage, electronics and other categories in addition to 12 state-of-the-art service bays. The Company’s size leveled off until an aggressive expansion program began in 1986. In 1995, Pep Boys expanded to Puerto Rico where the company now operates 27 locations. In 2009, the Company began to open standalone Service & Tire Centers to grow its market presence. As of April 2011, Pep Boys has opened 62 Service & Tire Centers in key markets across the country. In total, Pep Boys currently operates 630 stores in 35 states and Puerto Rico.

###



DOES EVERYTHING.  
**FOR LESS**

## Recent Stats

---

### 2006 – 2010

Fiscal Year:	2006	2007	2008	2009	2010
Stores:	593	562	562	587	621
Service Bays:	6,162	5,845	5,845	6,027	6,259
States:	36**	35**	35**	35**	35**
Sales *	\$2,244	\$2,138	\$1,927	\$1,910	1,989
Earnings/(Loss)*	(\$2.5)	(\$41.0)	(\$30.4)	23.0	36.6

\* In millions

\*\* Plus Puerto Rico

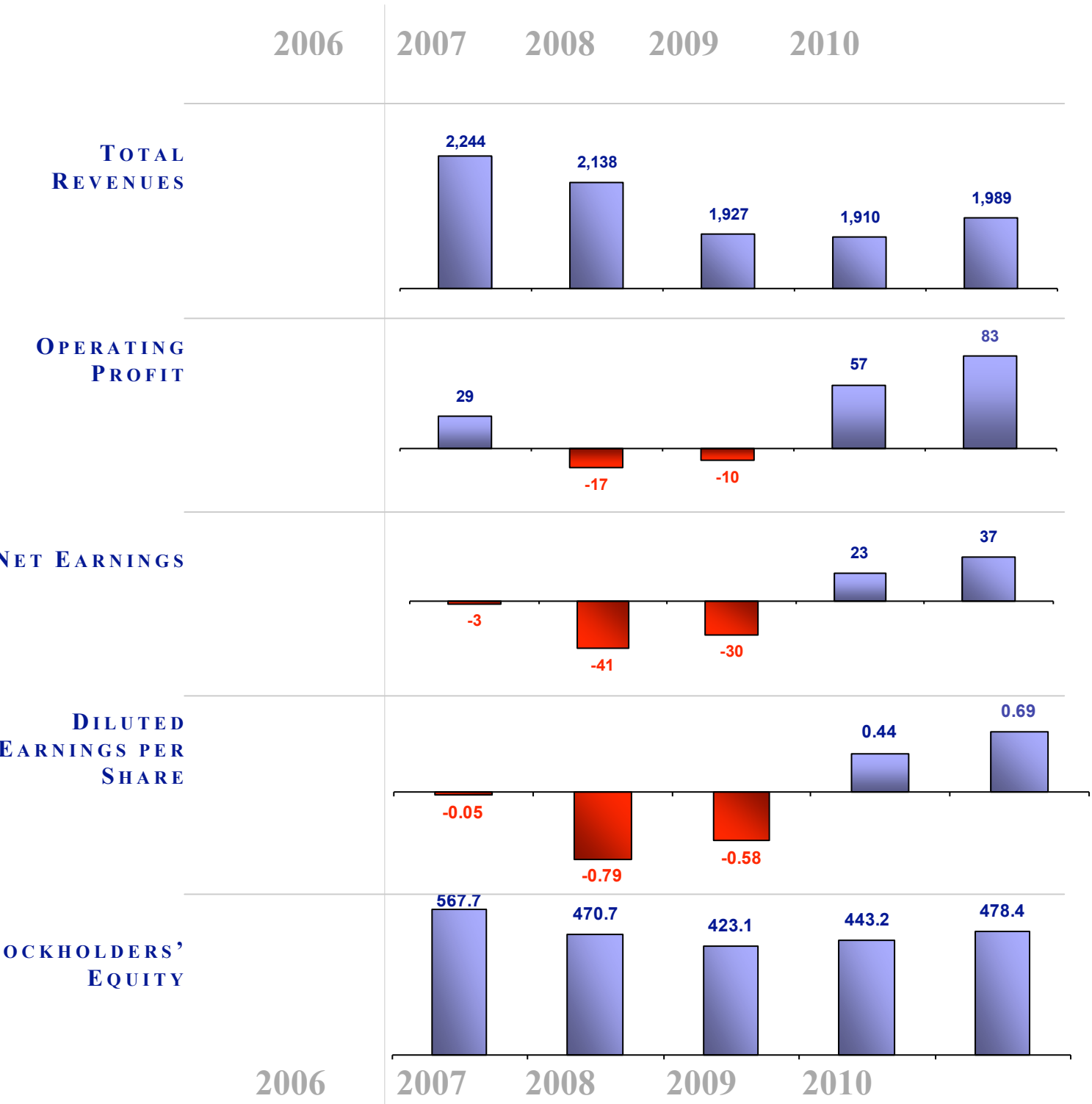
###



DOES EVERYTHING.  
**FOR LESS**

## Financial Highlights

(Graphs in millions of dollars, except diluted earnings per share)





## Automotive Maintenance and Repair Association

---

### PEP BOYS PLEDGES COMMITMENT TO CONSUMER SATISFACTION

In an effort to reinforce consumer trust and satisfaction within the automotive repair industry, Pep Boys and dozens of other companies have pioneered the Automotive Maintenance and Repair Association's Motorist Assurance Program (MAP). This industry-wide program, formed in June 1992, developed standards for inspecting and evaluating automotive parts and systems, and for communicating service and repair recommendations to consumers and the guidelines for determining necessary or recommended auto repairs. Designed to assure consumers of the industry's professionalism and commitment to honesty, MAP's Uniform Inspection and Communication Standards (UICS) are used when explaining inspection results and service and repair recommendations for all major vehicle systems.

Pep Boys has played an integral role in the design of MAP's Pledge to Customers: the Uniform Inspection and Communication Standards (UICS).

###



## Code of Ethics

---

### PEP BOYS' SERVICE DEPARTMENT CODE OF ETHICS AND CONDUCT

Pep Boys prides itself on providing the best customer service and the highest-quality service work available anywhere. In addition, Pep Boys is committed to honesty and integrity in all of its business dealings -- with employees, vendors and customers alike. This is why Pep Boys' employees are responsible for upholding this tradition by following service policies outlined in our Code of Ethics and Conduct.

1. No service or repairs will be recommended or performed that are not needed. (Do not confuse "repairs that are not needed" with preventive maintenance or vehicle enhancement services.) All service and repair work must be recommended based on System Failure, Preventive Maintenance or Vehicle Enhancement only.
2. The condition and/or measurement and specification of a component or system must be documented on the P.M. checklist and on the work order to verify the reason for any service recommendation.
3. Customers are to be provided with a written repair estimate. (Estimate requirements vary by State.) The total amount of the estimate is not to be exceeded without prior customer approval.
4. No service will be performed without prior customer approval. All additional repair authorizations are to be completely documented on the work order before the work begins.
5. Customers are to be provided a complete invoice that clearly and completely defines all work performed. All parts replaced must be identified as new, rebuilt, remanufactured or used.
6. Customers are to be provided with an applicable Pep Boys and/or manufacturers written warranty.
7. No services shall be performed without signed work order documentation.
8. No billing shall be rendered for any service not performed.
9. Service pricing must conform with the Pep Boys printed retail prices or Mitchell pricing if no Pep Boys pricing is stated.

## **PEP BOYS' SERVICE DEPARTMENT CODE OF ETHICS AND CONDUCT**

### **Page 2**

10. Every effort must be made to meet appointment schedules and promised completion times.
11. The customer is to be provided with printouts for any service that utilizes equipment that produces a printout. Copies of these printouts must be attached to the store copy of the invoice and stored with that day's paperwork.
12. All disposable worn parts must be offered or returned to the customer. All core parts for return to vendors are to be made available for the customer's inspection or if they wish may be purchased by the customer for the core charge.
13. All service work performed must meet Pep Boys and industry standards.
14. No service shall be attempted in which personnel are not fully qualified. No service shall be performed by an uncertified or unlicensed technician where such regulations exist.
15. No tips may be accepted under any circumstances. Tips abandoned by a customer must be deposited with the stores cash sales for the day.
16. All vehicles must be protected with fender, seat and floor covers while in our possession and returned to the customer in clean condition, in accordance with Pep Boys' TRUST culture values and operating standards.
17. All employees must abide by safety rules and regulations (safety glasses worn at all times, back belts utilized as required, safety chains at appropriate times, etc.).
18. All employees must abide by all OSHA, Federal and State mandated procedures and licensing related to the service work performed.
19. The Buddy Program must be used during the following services:
  - \* All wheel services (use torque wrench to verify lug torque)
  - \* Fluid changes (engine, trans., differential fluid level verification, etc.)
  - \* Pulling and backing cars in and out of bays.
20. All employees are required to be honest and report any known violations of this code of ethics and conduct to management.
21. Non-compliance may result in disciplinary action, up to and including discharge.

###



# Code of Ethics

---

## PEP BOYS' CODE OF ETHICS AND CONDUCT

### **Introduction**

Pep Boys has always believed that good ethics and good business go hand-in-hand. Our founders, Manny, Moe & Jack, built Pep Boys on the principle of “treating customers as we ourselves would like to be treated.” Then and today, we strive for honest and straightforward dealings with our customers, suppliers, co-workers and security holders. It’s the “center” of our brand personality. We’re passionate, approachable, **trustworthy**, credible and helpful about cars. This Code of Ethics sets out general provisions that apply to all of Pep Boys’ business dealings. Adherence to this Code will help to maintain the high ethical standards that we expect from all our associates.

### **Our Associates**

#### **1. Legal Compliance and Ethics**

Pep Boys is committed to compliance with those laws and regulations that apply to our business activities.

Honesty, openness and courtesy is expected of all associates at all times in the performance of their duties. All associates must conduct themselves in an ethical manner in all dealings on behalf of Pep Boys. All associates are to provide our customers with extraordinary customer service, as outlined by our TRUST culture values and operating standards.

#### **2. Equal Opportunity**

Pep Boys views equal opportunity as an essential ingredient to our continuing success. We adhere to a strict policy of giving equal consideration in hiring, promotions and all other human resources related decisions without regard to race, color, sex, age, marital status, religion, national origin, disability or any other basis prohibited by law.

#### **3. Health and Safety**

Pep Boys seeks to provide a healthy, safe and clean working environment in compliance with all applicable laws, regulations and industry standards.

#### **4. The Environment**

As a responsible corporate citizen, Pep Boys is committed to preserving and protecting our natural resources. Our Environmental Compliance Department develops and implements environmental education and compliance programs to be followed by all of our associates and conducts periodic audits to ensure compliance.

## 5. Conflicts of Interest

Pep Boys' Conflict of Interest Policy (reproduced below) prohibits associates from engaging in any activity or holding any interest that adversely affects the conduct of Pep Boys business, involves the misuse of Pep Boys' position, information or resources or constitutes a potential source of discredit to Pep Boys. The policy was enacted to guide each associate in avoiding any activities or interests that create or might appear to create a Conflict of Interest. Such conflicts include any interests and activities that create a perception of personal gain or advantage by sacrificing loyalty, judgment, or responsibilities expected by our associates. Directors and management level associates must periodically (and when circumstances dictate) confirm, in writing, their understanding of Pep Boys' Conflict of Interest Policy and disclose any and all facts that may involve possible violations of the policy using a proscribed form.

### Conflicts of Interest

To be a successful member of the Pep Boys team, you need to devote your full attention and energy to your responsibilities. Therefore, it is important that you avoid situations in which other employment, interests or relationships might affect your ability to perform your job.

**Generally speaking, any activity or interest that adversely affects the conduct of Pep Boys business, involves the misuse of Pep Boys' position, information or resources or constitutes a potential source of discredit to Pep Boys is a conflict of interest.**

The following actual conflicts of interest are strictly prohibited:

Accepting tips or gifts from customers. (Please explain to our customers that good customer service is part of your responsibilities. If a customer leaves money in the store or on Company premises, you must submit it to store management immediately for proper handling.)

Using Pep Boys' property or personnel for personal reasons.

Disclosing Pep Boys' confidential information to a third party or using such information for personal gain.

Competing with Pep Boys. For example, diverting sales or services from Pep Boys by directing customers to your own or another's "shop" or purchasing parts or equipment from Pep Boys for resale.

Accepting gifts, entertainment or gratuities from Pep Boys' suppliers or competitors.

Working (with or without pay) for one of Pep Boys' competitors or suppliers.

Having a financial interest in one of Pep Boys' competitors or suppliers, other than owning 1% or less of the publicly-traded securities of a company whose securities are traded through a national securities exchange (NYSE) or interdealer quotation system (Nasdaq National Market or SmallCap).

Having a financial interest in property that is leased or sold to Pep Boys or that may benefit due to its proximity to a Pep Boys' property.

Receiving preferential treatment (loans, discounts, dispute resolutions, etc. ) due to your employment by Pep Boys (other than Pep Boys' sponsored programs).

A conflict of interest may also arise because a family member or friend has a relationship with a supplier or competitor or because a family member or friend receives preferential treatment from a supplier. You may not direct business to a supplier primarily because your family member or friend works for or has a financial interest in such supplier. You may not take any action that adversely affects Pep Boys because a supplier or a competitor employs one of your family members or friends.

It is impossible to identify every situation that might present a conflict of interest. We have provided the foregoing list to provide you with some examples of the most common situations. **IMPORTANT:** Each associate has a continuing responsibility to avoid conflicts of interest. Therefore, you must notify your manager and the Human Resources department immediately of any such situation that you believe might present a conflict of interest. You may also use the Alert Line (1-800-PEP-1213) to report (in confidence, if you wish) situations that you believe might present a conflict of interest. Reporting such situations will enable Pep Boys to take steps to ensure that its interests are protected and to determine if any further action is required.

## **6. Preventing Losses**

To maintain our financial health, our associates take strong steps to minimize losses. Our Asset Protection Department develops and implements policies and procedures to be followed by all of our associates and conducts periodic audits to ensure compliance.

## **7. Information Security**

Pep Boys recognizes information as a critical and valuable asset. In accordance with Pep Boys' Information Security Policies, all associates take appropriate measures to protect our information assets against accidental or unauthorized modification, disclosure or destruction, as well as, to ensure their reliability. Information assets are used only in pursuit of our business objectives in a professional, ethical and lawful manner.

## **8. Competition**

Pep Boys is committed to free and open competition and competes vigorously in compliance with all anti-trust laws.

## **9. Public Communications**

All disclosures made in documents filed with or submitted to the Securities and Exchange Commission or in other public communications are to be full, fair, accurate, timely and understandable. In all of Pep Boys' advertising and marketing communications, untruths, concealment and overstatement is prohibited.

## **10. Disclosure/Financial Controls**

Pep Boys has adopted policies and procedures, including an internal audit function and a Corporate Accountability Committee, to ensure the maintenance of proper accounting methods in accordance

with GAAP and the accuracy of financial and other business information used within the business or publicly disclosed.

### **11. Political Contributions**

Pep Boys, as a company, does not make contributions to any political party and does not support any one political party at the expense of others.

### **12. Community Activities**

Pep Boys encourages and supports the efforts of its associates to give leadership and service in the governmental, educational and social fabric of communities in which they live. Pep Boys recognizes its responsibilities as a citizen of the communities in which it operates.

### **13. Media Relations**

No associates are to discuss any matters relating to Pep Boys with representatives of the media unless specifically authorized to do so by the Corporate Communications Department. Any announcements or statements to the media or responses to questions from the media must be coordinated by the Corporate Communications Department.

### **14. Input from our Associates; Non-Retaliation**

We believe that open communications between our associates builds a strong and effective work environment. We have introduced numerous methods for our associates to voice their suggestions and concerns and to ask questions, including the Associate Service and Alert toll-free telephone lines. The discharge of, or other discrimination or retaliation against, any person who discloses improprieties via these or any other methods is strictly prohibited.

### **15. Application of the Code of Ethics**

This Code of Ethics applies to all of Pep Boys' Directors, officers and employees (collectively, "associates"). Its purpose is to affirm Pep Boys' dedication to the highest standards of business conduct. In addition to his/her own behavior, each associate is also responsible to ensure the ethical business behavior of those associates under his/her control or direction. Failure to comply with the principles contained in this Code will result in disciplinary action that may include termination of employment and, where applicable, referral to public authorities for appropriate action. No Code of Ethics can address all specific situations. It is, therefore, each associate's responsibility to apply the principles set forth in this Code in a responsible fashion and with the exercise of good business judgment. Any questions arising under this Code should be addressed to your supervisor or the Human Resources Department.

***This Code of Ethics was last modified on July 19, 2006.***



## Stores & Locations

State	Supercenters	Express	Service & Tire Centers	Total
Alabama	1			1
Arizona	22			22
Arkansas	1			1
California	117	1	12	130
Colorado	7			7
Connecticut	7			7
Delaware	6		1	7
Florida	43		17	60
Georgia	22		3	25
Illinois	23		7	30
Indiana	7			7
Kentucky	4			4
Louisiana	8			8
Maine	1			1
Maryland	18		1	19
Massachusetts	7			7
Michigan	5			5
Minnesota	3			3
Missouri	1			1
Nevada	12			12
New Hampshire	4			4
New Jersey	29		3	32
New Mexico	8			8
New York	29		2	31
North Carolina	8			8
Ohio	11		1	12
Oklahoma	5			5
Pennsylvania	43	1	7	51
Puerto Rico	23	4		27
Rhode Island	2			2
South Carolina	6			6
Tennessee	7			7
Texas	47	1	1	49
Utah	6			6
Virginia	15	1		16
Washington	2		7	9
<b>Total</b>	<b>560</b>	<b>8</b>	<b>62</b>	<b>630</b>

*As of April 2011, Pep Boys operated 630 stores in 35 states and Puerto Rico.*