



FOR IMMEDIATE RELEASE

Pep Boys Signs Settlement Agreement with EPA

PHILADELPHIA – May 10, 2010 – The Pep Boys – Manny, Moe & Jack (NYSE: "PBY"), the nation's leading automotive aftermarket service and retail chain, today announced that it has signed an agreement with the Environmental Protection Agency (EPA) memorializing its previously disclosed settlement of the EPA's investigation into the Company's sale of certain small-engine merchandise (recreational vehicles and generators) from 2005 through 2009.

Pursuant to the terms of the settlement agreement, the Company has implemented a formal compliance program designed to ensure that all small-engine merchandise purchased by the Company for resale complies with the Clean Air Act. The Company has been voluntarily following this program since the beginning of 2009. The Company also agreed to pay a \$5 million civil penalty, which was previously accrued in the Company's financial statements. In addition, the Company will implement a lawn mower exchange program designed to reduce emissions in the communities where its stores are located.¹ To mitigate the effects of excess emissions that may have been generated from previously sold merchandise, the Company will make available discounts on new push and electric mowers in exchange for the retirement of participating customers' gas-powered mowers.

Pep Boys is proud of its commitment to the environment. It maintains chain-wide programs designed to reduce waste and properly handle the hazardous substances contained in the products it sells and uses in its service bays. All Pep Boys stores accept used oil for proper disposal and recycle the tires, batteries and hard-part cores handled in the course of its business.

"Pep Boys strives to be a good corporate citizen," said General Counsel, Brian Zuckerman. "Unfortunately, in this circumstance, we relied upon our vendors to ensure that their products were compliant. We now take it upon ourselves to ensure that all of our small-engine merchandise fully complies with the Clean Air Act."

Zuckerman continued, "While the vast majority of the allegations in the EPA's complaint relate to deficiencies in paperwork, we do acknowledge the possibility that some of the merchandise that we sold may have generated excess emissions. Accordingly, we will support one of the EPA's emission-reduction initiatives by participating in a lawn mower exchange program. The program allows us to support our nationwide DIY customer base and our shared local community environments. In addition, our vendors will support the effort by offering extended emission warranties on certain previously sold small-engine merchandise."

Customers should note that all previously sold small-engine merchandise is safe for continued use and not subject to recall. Details of the lawn mower exchange and extended warranty programs will be forthcoming shortly on Pep Boys' website at www.pepboys.com.

1 The lawnmower exchange project is being undertaken in connection with the settlement of the enforcement action, United States v. The Pep Boys – Manny, Moe & Jack and Baja, Inc., taken on behalf of the U.S. Environmental Protection Agency under the Clean Air Act.

About Pep Boys

Pep Boys has over 6,000 service bays within over 580 stores located in 35 states and Puerto Rico. Along with its full-service vehicle maintenance and repair 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.

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