



HISTORICAL ANALYSIS									
PETSMART									
INCOME STATEMENT	(000) OMITTED YR END: January 31								
	2006	2007	2008	2009	2010	2011	2012	2013	
Merchandise	4,233,857	4,672,656	5,065,293	5,336,392	5,693,797	5,401,731	5,979,604	6,111,702	
Services						674,859	740,471	766,006	
Other						36,714	38,162	38,919	
Cost Of Goods Sold	2,926,087	3,235,835	3,569,860	3,817,175	4,039,266	4,308,881	4,696,098	4,800,690	
GROSS PROFIT	1,307,770	1,436,821	1,495,433	1,519,217	1,654,531	1,804,423	2,062,139	2,115,937	
Sell General Adm	764,836	839,408	850,479	854,138	923,403	981,404	1,085,522	1,091,319	
R&D									
Advertising									
Pre-Opening									
Executive Salaries									
Deprec/Amort									
Oper Exp Rentals	221,100	245,900	275,100	296,000	302,400	319,900	325,400	331,300	
Fixed Charges									
Other Oper Expense									
TOTAL OPER EXP	985,936	1,085,308	1,125,579	1,150,138	1,225,803	1,301,304	1,410,922	1,422,619	
OPER PROFIT	321,834	351,513	369,854	369,079	428,728	503,119	651,217	693,318	
Other Income	10,551	102,176							
Extra Item (Net)									
Other Expense									
Interest Expense	42,268	51,496	58,757	59,748	58,837	56,842	54,239	51,779	
Minority Interest (+)		(1,671)	(2,592)	(6,548)	(10,372)	(10,926)	(15,970)	(17,425)	
PRE TAX PROFIT	290,117	403,864	313,689	315,879	380,263	457,203	612,948	658,964	
Income Tax	105,048	145,180	121,019	117,554	140,396	166,960	223,329	239,444	
NET PROFIT	185,069	258,684	192,670	198,325	239,867	290,243	389,619	419,520	

PETSMART									
BALANCE SHEET									
		(000) OMITTED YR END: January 31							
		2006	2007	2008	2009	2010	2011	2012	2013
Cash		148,799	58,322	126,314	308,360	291,949	342,892	335,155	285,622
Mkt. Securities		79,900			48,172	71,147	90,500	81,066	71,226
Acct Receivable		36,541	49,341	48,609	52,232	53,971	53,899	72,198	72,685
Allow Bad Debt (-)									
Total Inventory		487,400	501,212	584,011	563,389	615,841	644,864	679,090	740,302
Raw Materials									
Work-in-Process									
Finished Goods									
LIFO Reserve (-)									
Tax Refund Receivable									
DIT		39,580	46,765	28,223	36,805	44,999	51,381	62,859	71,945
Prepays & Other		51,049	73,231	87,677	57,652	46,022	80,352	86,768	76,463
TOT CURR ASSET		843,269	728,871	874,834	1,066,610	1,123,929	1,263,888	1,317,136	1,318,243
Land		2,991	2,991	691	691	1,032	1,032		
Buildings									
Mach & Equipment		1,634,475	1,969,813	2,227,498	2,304,567	2,449,367	2,524,523	2,632,641	2,743,175
Furn, Fixt & Other									
Constr In Progress		77,987	86,490	49,724	37,721	29,416	57,617	53,781	70,454
Acm Depr & Amt (-)		(683,032)	(828,524)	(975,668)	(1,141,122)	(1,347,380)	(1,516,144)	(1,700,715)	(1,860,674)
NET FIXED ASSETS		1,032,421	1,230,770	1,302,245	1,201,857	1,132,435	1,067,028	985,707	952,955
Contracts In Progress									
DIT		97,648	108,544	93,128	94,901	96,215	93,485	102,992	110,408
LT Investments									
Investment in Sub		38,065	23,346	25,938	32,486	42,858	37,824	39,934	33,577
Prepaid Retirement Plans									
Intangibles (Net)		15,578	45,790	38,645	42,200	44,111	44,084	44,242	41,140
Other		26,496	29,936	22,863	23,932	30,672	37,775	46,970	65,645
TOTAL ASSETS		2,053,477	2,167,257	2,357,653	2,461,986	2,470,220	2,544,084	2,536,981	2,521,968
Commercial Paper									
Notes Payable			30,000						
LTD Current		17,667	24,982	32,233	37,839	45,277	54,219	61,581	66,867
Accts Payable		179,638	172,352	194,630	212,121	168,776	199,177	202,122	255,251
Deferred Revenues									
Dividends Payable									
Income Tax Payable									
Taxes Non-Income									
Marketing & Distrib									
Employee Compens		120,801	132,768	88,337	105,162	139,359	158,079	176,082	160,008
Customer Vol Discs									
Rent		44,972	46,955	55,642	63,142	64,328	68,584	70,671	81,887
Insurance									
Warranty Costs									
Other		155,304	148,832	107,315	146,965	156,065	201,247	244,436	230,332
TOTAL CURR LIAB		518,382	555,889	478,157	565,229	573,805	681,306	754,892	794,345
LTD									
Capital Leases		431,334	508,765	553,760	533,635	521,552	505,273	464,578	451,597
Notes									
Notes									
Bonds									
Bonds									
Securitization of A/Rs									
Other - Non-Int Debt		102,867	116,006	181,600	190,407	204,221	203,676	193,919	182,244
Post Retirement Obligation									
Subordinated Debt									
Subordinated Debt									
TOTAL LIABILITIES		1,052,583	1,180,660	1,213,517	1,289,271	1,299,578	1,390,255	1,413,389	1,428,186
DIT									
Minority Interest									
Reserves									
Forgn Curr Transl Adj									
Min Pension Liab Adj									
Stock Option Loans									
Cumm Unreal Inv G/L		1,128	5,585	(2,714)	2,369	5,380	5,490	5,506	(2,159)
Deferred Compensation (-)									
Treasury Stock (-)		(541,841)	(856,868)	(906,823)	(1,071,606)	(1,334,897)	(1,671,727)	(2,128,338)	(2,592,414)
Retained Earnings		516,961	758,674	936,100	1,093,708	1,277,803	1,507,054	1,827,996	2,173,005
Paid-In-Capital		1,024,630	1,079,190	1,117,557	1,148,228	1,222,340	1,312,996	1,418,411	1,515,333
Preferred Stock A									
Preferred Stock B									
Common Stock A		16	16	16	16	16	16	17	17
Common Stock B									
TOT NET WORTH		1,000,894	986,597	1,144,136	1,172,715	1,170,642	1,153,829	1,123,592	1,093,782
TOT LIAB + NW		2,053,477	2,167,257	2,357,653	2,461,986	2,470,220	2,544,084	2,536,981	2,521,968

PETSMART									
MISCELLANEOUS DATA									
	2006	2007	2008	2009	2010	2011	2012	2013	
Common Dividends	16,654	16,034	15,265	32,459	53,409	60,011	83,661	54,374	
Depreciation	156,941	195,980	225,054	236,538	235,926	236,974	238,406	235,431	
Other Non Cash Chg	8,727	8,585	8,181	13,561	17,592	33,768	35,572	45,134	
= Depletion									
+ Amortization									
- G/L On Sale Secs	(8,727)	(6,914)	(5,589)	(7,013)	(7,220)	(6,882)	(5,742)	(3,927)	
- G/L On Sale Land									
- Equity Earnings		(1,671)	(2,592)	(6,548)	(10,372)	(10,926)	(15,970)	(17,425)	
+ Equity Dividends						15,960	13,860	23,782	
+ Other									
Preferred Dividends									
Other Fixed Chg									
Costs Capitalized									
Int Exp Capitalized									
CF Interest Exp Paid	47,913	50,812	55,937	59,153	59,419	57,692	54,659	52,144	
CF Income Tax Paid	125,468	171,303	92,786	81,511	137,869	156,234	192,629	250,958	
Defer Inc Taxes (+)	(18,585)	(18,106)	38,946	(13,572)	(11,325)	(3,702)	(21,009)	(11,973)	
CFFO Def Inc Tax (+)	(18,882)	(15,251)	33,957	(13,572)	(11,325)	(3,702)	(21,009)	(11,973)	
Bal Sh Change DFIT	XXX	(18,081)	33,958	(10,355)	(9,508)	(3,652)	(20,985)	(16,502)	
Tax Val Allowance	13,553	7,878	8,036	7,693	7,700	7,700	8,250	8,592	
Capital Expenditures	241,106	294,437	238,188	112,920	125,074	120,720	138,467	146,822	
Proceeds Asset Sale	1,579	539	2,951	3,894	198	331	2,685	9,006	
Maintenance Exp.									
# Yr-End Employees	38,400	43,000	46,000	45,000	47,000	50,000	52,000	53,000	
Σ Square Footage	20,788	22,826	25,103	25,877	26,617	27,247	27,831	28,461	
Accountants:	Deloitte & Touche LLP								
Audit Fees									
Non-Audit Fees									
Commitments and Contingencies:									
LT Lease Obligations	2,044,828	2,242,385	2,046,066	1,828,492	1,589,389	1,592,245	1,527,162	1,602,667	
Total Amount	3,204,579	3,686,069	3,360,845	3,110,455	2,978,236	2,927,219	2,827,429	2,932,211	
Depreciation & Amortization Estimates of Useful Asset Lives (Years):									
Buildings									
Mach & Equip									
Goodwill									
Investments:									
Held-Maturity									
Trading									
Available-Sale									
PENSION + POST-RETIREMENT PLAN(S) DATA	Smoothing or Pure Market Values?								
FV Plan Assets									
Projected Bene Oblig									
Assumed Rate of Return									
Funded Status									
Expected Return									
Actual Return									
Recognized on BalSheet									
OperStm Net CR/Cost									
STOCK DATA									
# C/S Outstanding	135,836	129,851	124,342	122,363	116,799	111,909	107,819	103,203	
# Diluted C/S Outstd	139,537	132,954	126,751	124,701	119,405	113,993	109,611	104,316	
\$ Amt Dilution Adjstm									
Treasury Stk Repur	161,864	315,027	49,955	164,783	263,291	336,830	435,283	485,404	
Proceeds Ex Stk Opt						53,439	55,197	49,506	
Stk Option Tax Bene									
Stk Opt Compensation									
Stock Based Comp	19,320	18,333	24,301	24,792	23,928	27,989	29,957	28,300	
Excess Tax Benefit	8,222	10,715	3,215	2,901	8,539	14,223	43,196	24,970	
# Shares Under Option									
Wted Avg Price/Opt Shr									
STOCK MARKET DATA									
High Price	32.20	35.48	28.86	27.50	41.20	54.96	72.50	77.32	
Low Price	22.07	20.29	13.27	16.17	25.01	37.76	52.83	61.30	
Last Price	30.54	22.87	18.77	25.75	40.24	53.22	65.41	63.00	
MARKET CAPITAL	4,261,460	3,040,658	2,379,116	3,211,051	4,804,857	6,066,707	7,169,656	6,571,908	

PETSMART								
ANALYSIS RATIOS								
	2006	2007	2008	2009	2010	2011	2012	2013
SOLVENCY								
Debt/Equity	45%	57%	51%	49%	48%	48%	47%	47%
TNW+Sub Debt	985,316	940,807	1,105,491	1,130,515	1,126,531	1,109,745	1,079,350	1,052,642
Tangible NW/Debt	0.94	0.80	0.91	0.88	0.87	0.80	0.76	0.74
(TNW+SubDebt)/(Debt-SubDeb)	0.94	0.80	0.91	0.88	0.87	0.80	0.76	0.74
Solvency Ratio	0.32	0.39	0.34	0.34	0.37	0.38	0.44	0.46
Debt/CFFO	XXX	1.32	1.49	0.97	1.22	0.92	0.81	0.78
Times Interest Earned	3.50	4.03	3.08	2.99	3.38	3.80	4.77	5.06
Fixed Charge Coverage	2.10	2.36	1.94	1.89	2.05	2.21	2.61	2.72
CFFO/Fixed Charges	XXX	1.43	1.18	1.65	1.29	1.61	1.72	1.75
CFFO/EBITDA	XXX	0.56	0.57	0.83	0.60	0.71	0.64	0.63
Debt/EBITDA	0.38	0.67	0.67	0.30	0.26	0.15	0.11	0.15
EBITDA/Interest	5.03	5.69	4.58	4.49	4.86	5.25	6.23	6.58
Funds Flow Coverage	3.69	2.82	3.44	3.44	3.18	2.98	2.83	2.75
Avg Int Exp Rate	XXX	10.17%	10.22%	10.32%	10.34%	10.09%	9.99%	9.91%
TAKEOVER TARGET								
EBITDA	583,446	759,430	689,200	710,832	775,826	857,652	1,014,060	1,068,121
EV/EBITDA	7.68	4.67	4.12	4.82	6.46	7.22	7.18	6.30
SALES								
Sales Growth	XXX	10.36	8.40	5.35	6.70	7.37	10.55	2.34
CGS Growth	XXX	10.59	10.32	6.93	5.82	6.67	8.99	2.23
Oper Exp. Growth	XXX	10.08	3.71	2.18	6.58	6.16	8.42	0.83
Sales/Square Foot	204	205	202	206	214	224	243	243
FUNDS MANAGEMENT								
A/R Turn Days	3.15	3.86	3.51	3.58	3.46	3.22	3.90	3.84
A/R Debt Allowance								
Collections/Sales	XXX	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Inv Turn Days	60.84	56.58	59.75	53.91	55.69	54.66	52.82	56.32
Raw Materials								
Work-in-Process								
Finished Goods								
A/P Turn Days	XXX	20.62	20.74	21.76	15.99	17.74	16.44	20.15
Net Trade Cycle	XXX	39.82	42.52	35.72	43.16	40.14	40.28	40.01
Acct Pay/Inv	37%	34%	33%	38%	27%	31%	30%	34%
Net FA/Sales	XXX	24.22%	25.00%	23.46%	20.50%	17.99%	15.19%	14.01%
DeprExp/(NFA-L-CIP)	XXX	18.73%	18.81%	19.59%	20.83%	22.46%	24.57%	25.95%
Inc AcqmDeprec/Deprec	XXX	74.24%	65.38%	69.95%	87.42%	71.22%	77.42%	67.94%
Asset Utilization Ratios								
Sales/Cash	XXX	45.12	54.87	24.55	18.97	19.26	19.93	22.28
Sales/Tot Assets	XXX	2.21	2.24	2.21	2.31	2.44	2.66	2.73
Accrued Accounting								
Prepays/Sales	1.21%	1.57%	1.73%	1.08%	0.81%	1.31%	1.28%	1.11%
Accruals/Sales	7.58%	7.03%	4.96%	5.91%	6.32%	7.00%	7.27%	6.83%
Inc Pay/Inc Tax Exp								
R&D/Sales								
CDiv/(NP-Exl-Pfd)	9.00%	6.20%	7.92%	16.37%	22.27%	20.68%	21.47%	12.96%
PROFITABILITY AND LEVERAGE								
Profit Margin	4.37%	5.54%	3.80%	3.72%	4.21%	4.75%	5.77%	6.07%
Net Profit/Employee	XXX	6,356	4,330	4,359	5,215	5,984	7,640	7,991
Return on Tot Assets	XXX	13.74%	10.00%	9.51%	10.81%	12.58%	16.06%	17.20%
Return on C/S Equity	XXX	26.03%	18.08%	17.12%	20.47%	24.97%	34.22%	37.84%
Du Pont's Formula for ROE:								
Profit/Sales	XXX	0.06	0.04	0.04	0.04	0.05	0.06	0.06
Sales/Assets	XXX	2.21	2.24	2.21	2.31	2.44	2.66	2.73
Assets/Equity	XXX	2.12	2.12	2.08	2.10	2.16	2.23	2.28
Finl Leverage Index	XXX	1.89	1.81	1.80	1.89	1.99	2.13	2.20
Operating Leverage	XXX	0.89	0.62	(0.04)	2.41	2.36	2.79	2.76
LIQUIDITY								
Working Capital	324,887	172,982	396,677	501,381	550,124	582,582	562,244	523,898
Current Ratio	1.63	1.31	1.83	1.89	1.96	1.86	1.74	1.66
Quick Ratio	0.51	0.19	0.37	0.72	0.73	0.72	0.65	0.54
CFFO/AvgCL	XXX	0.79	0.76	1.13	0.82	0.97	0.91	0.86
"Free Cash Flow"	XXX	116,780	143,011	446,298	287,056	426,166	432,566	476,468
Total Debt/FrCFflow	XXX	5.82	5.37	1.71	2.69	1.79	1.66	1.47
WORKING CAPITAL PERFORMANCE								
Days Sales Outstanding	3.15	3.85	3.50	3.57	3.46	3.22	3.90	3.84
Days Inventory Outstanding	42.02	39.15	42.08	38.53	39.48	38.50	36.68	39.07
Days Payables Outstanding	15.49	13.46	14.02	14.51	10.82	11.89	10.92	13.47
Days Working Capital	29.68	29.54	31.56	27.60	32.12	29.83	29.66	29.43

PETSMART									
PREDICTOR OF FINANCIAL DISTRESS									
	2006	2007	2008	2009	2010	2011	2012	2013	
ALTMAN									
Privately Held Non-Manufacturing Firms									
Z Score	3.94	3.95	4.45	4.76	5.29	5.66	6.40	6.87	
Z Score is a predictor of bankruptcy within one (1) time period. High probability if Z Score < 1.10. 1.10 =< "gray area" =< 2.60. Low probability if Z Score > 2.60.									
Privately Held Firms									
Z Score (1983)	3.29	3.51	3.49	3.54	3.83	4.04	4.58	4.81	
Z Score is a predictor of bankruptcy within one (1) time period. High probability if Z Score < 1.20. 1.20 =< "gray area" =< 2.90. Low probability if Z Score > 2.90.									
Publicly Held Firms									
Z Score (1968)	5.50	4.94	4.58	5.00	6.05	6.74	7.80	7.86	
Z Score is a predictor of bankruptcy within one (1) time period. High probability if Z Score < 1.81. 1.81 =< "gray area" =< 2.99. Low probability if Z Score > 2.99.									
SPRINGATE (Canadian)									
Z Score (1978)	2.42	2.67	2.56	2.53	2.79	2.94	3.38	3.49	
Z Score is a predictor of bankruptcy within one (1) time period. High probability if Z Score < .862.									
FULMER									
Z Score (1984)	XXX	1.99	2.15	2.72	3.15	3.84	4.81	5.67	
Z Score is a predictor of bankruptcy within one (1) time period. High probability if Z Score < 0.0.									
LEGAULT (Canadian)									
Manufacturing Firms									
CA Score (1987)	XXX	XXX	1.09	1.03	0.96	1.07	1.14	1.40	
CA Score is a predictor of bankruptcy within one (1) time period. High probability if CA Score < -0.3.									
ZMIJEWSKI									
(1984)	4%	4%	4%	5%	4%	4%	3%	3%	
Probability of bankruptcy.									

PETSMART									
QUALITY OF REPORTED EARNINGS									
	2006	2007	2008	2009	2010	2011	2012	2013	
Net Profit	XXX	258,684	192,670	198,325	239,867	290,243	389,619	419,520	
CFFO	XXX	426,712	393,513	587,783	465,341	606,566	652,009	668,658	
Earnings Quality Ratio	XXX								
Acctg Int/CF Int Paid	88%	101%	105%	101%	99%	99%	99%	99%	
Acctg Tax/CF Tax Paid	XXX	95%	88%	161%	110%	109%	127%	100%	
Def Tax/Tax Exp	-18%	-12%	32%	-12%	-8%	-2%	-9%	-5%	
Effective Rate<30%?	36%	36%	39%	38%	38%	37%	37%	37%	
Manipulation Index	XXX	(2.58)	(2.68)	(3.12)	(2.84)	(3.10)	(2.71)	(2.94)	
Prob of Manipulation	XXX	0.50%	0.37%	0.09%	0.23%	0.10%	0.34%	0.16%	
M-Score (5 VAR)	XXX	(2.60)	(3.02)	(2.83)	(2.86)	(2.96)	(2.65)	(2.87)	
M-Score (8 VAR)	XXX	(2.52)	(2.91)	(3.13)	(2.85)	(3.10)	(2.67)	(2.91)	
Fraud Score	XXX	XXX	0.96	0.30	0.34	0.33	0.35	0.34	
ROIC	XXX	23.43%	22.55%	21.25%	24.63%	29.16%	38.73%	42.51%	
ROIC With LT Leases	XXX	9.65%	9.77%	10.04%	12.43%	15.17%	20.09%	21.69%	
Oper CF ROIC	XXX	37.94%	40.77%	36.15%	39.98%	44.82%	54.44%	59.00%	
Sales Growth	XXX	10.36%	8.40%	5.35%	6.70%	7.37%	10.55%	2.34%	
Inventory Growth	XXX	2.83%	16.52%	-3.53%	9.31%	4.71%	5.31%	9.01%	
Raw Materials	XXX								
Work-in-Process	XXX								
Finished Goods	XXX								
A/R Growth	XXX	35.03%	-1.48%	7.45%	3.33%	-0.13%	33.95%	0.67%	
A/P Growth	XXX	-4.06%	12.93%	8.99%	-20.43%	18.01%	1.48%	26.29%	
Chg Cash for Inventory	XXX	21,098	60,521	(38,113)	95,797	(1,378)	31,281	8,083	
Fictitious Inventory?									
Gross Mgn & Inventory	XXX				Problem!			Problem!	
Sales, Gross Mgn & Inv	XXX								
Overstated Inv & A/Rs?									
A/R / Total Sales	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	
Inventory / CGS	0.17	0.15	0.16	0.15	0.15	0.15	0.14	0.15	
Fictitious Assets?									
Sales/NFA	XXX	4.13	4.00	4.26	4.88	5.56	6.58	7.14	
Sales/Total Assets	XXX	2.21	2.24	2.21	2.31	2.44	2.66	2.73	
Abnormal E/ee Chg.	XXX								
Inventory	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Raw Materials									
Work-in-Process									
Finished Goods									
Hidden LIFO Liquidation?	XXX	No.	No.	No.	No.	No.	No.	No.	
Reserve Changes Impact on Net Profit									
LIFO	XXX								
A/R Allowance	XXX								
Tax Val Allowance	XXX	5,675	(158)	343	(7)	(550)	(342)		
Long-Term Accruals	XXX	(13,139)	(65,594)	(8,807)	(13,814)	545	9,757	11,675	
Intangibles/NW	2%	5%	3%	4%	4%	4%	4%	4%	
PENSION + POST-RETIREMENT PLAN(S) ANALYSIS									
Rate of Return Chg?	XXX								
Funded Status									
Unfunded/TNW									
Bal Sheet Surplus/Deficit									
Additional Liability?									
Actual-Expected ROPA?									
Chg Unrecogn Actual G/L	XXX								
Pension Income/NP									
Future Asset Write-Offs?	XXX	Maybe.	Maybe.	Maybe.	No.	No.	No.	No.	
Dec Deferred Revenue?	XXX								

PETSMART									
QUALITY OF REPORTED EARNINGS									
	2006	2007	2008	2009	2010	2011	2012	2013	
Fixed Asset Analysis (Under-expensed? Uncompetitive? Milked?)									
Depreciable Life	XXX	9.20	9.33	9.58	10.08	10.49	10.82	11.42	
Approx Age (Yrs)	4.35	4.23	4.34	4.82	5.71	6.40	7.13	7.90	
AccDeprec/GFA	0.42	0.42	0.44	0.50	0.55	0.60	0.65	0.68	
Depreciation/Sales	3.71%	4.19%	4.44%	4.43%	4.14%	3.88%	3.53%	3.40%	
Maintenance/Sales									
Dec Deprec Exp?	XXX	No.	No.	No.	Yes.	No.	No.	Yes.	
CapExpend/Deprec	1.54	1.50	1.06	0.48	0.53	0.51	0.58	0.62	
CapEx/Sales	5.69%	6.30%	4.70%	2.12%	2.20%	1.97%	2.05%	2.12%	
Stock Option Compensation:									
Stk Opt Comp/NP									
Tax Benefit/CFFO	XXX								
Stock Option Overhang as an Impediment to Growth:									
% Option/Dil Shares									
Wted Avg Pr/Share									
Cash Reinvestment	XXX	16.83%	13.25%	18.28%	12.70%	16.18%	16.32%	17.12%	

PETSMART								
STATEMENT OF SHAREHOLDERS' EQUITY								
	2006	2007	2008	2009	2010	2011	2012	2013
Begin Net Worth	XXX	1,000,894	986,597	1,144,136	1,172,715	1,170,642	1,153,829	1,123,592
Net Profit	XXX	258,684	192,670	198,325	239,867	290,243	389,619	419,520
Stk Option Shares	XXX					53,439	55,197	49,506
Stk Opt Tax Benefits	XXX							
Stock Based Comp	XXX	18,333	24,301	24,792	23,928	27,989	29,957	28,300
Excess Tax Benefits	XXX	(10,715)	(3,215)	(2,901)	(8,539)	(14,223)	(43,196)	(24,970)
Treasury Stk Repur	XXX	(315,027)	(49,955)	(164,783)	(263,291)	(336,830)	(435,283)	(485,404)
Forgn Curr Transl Adj	XXX							
Min Pension Liab Adj	XXX							
Stock Option Loans	XXX							
Unreal Investm G/L	XXX	4,457	(8,299)	5,083	3,011	110	16	(7,665)
Other *	XXX	46,005	17,302	522	56,360	22,470	57,114	45,277
Cash Dividends	XXX	(16,034)	(15,265)	(32,459)	(53,409)	(60,011)	(83,661)	(54,374)
Ending Net Worth	XXX	986,597	1,144,136	1,172,715	1,170,642	1,153,829	1,123,592	1,093,782
* E.G. Compensation Under Employee Incentive Plans; Acquisitions; Securities Valuation								
Adjustment; Conversion of Subordinated Notes; Repayment of Notes Receivable from ESOP.								

PETSMART									
FUNDS STATEMENT									
		2006	2007	2008	2009	2010	2011	2012	2013
SOURCES OF FUNDS									
Net Profit	XXX	258,684	192,670	198,325	239,867	239,867	290,243	389,619	419,520
Depreciation	XXX	195,980	225,054	236,538	235,926	236,974	238,406	235,431	
Other Non-Cash Chg *	XXX	8,585	8,181	13,561	17,592	33,768	35,572	45,134	
CASH FLOW	XXX	463,249	425,905	448,424	493,385	560,985	663,597	700,085	
Inc Non-Curr Liab	XXX	90,570	110,589		1,731				
Dec Fixed Assets	XXX								
Dec Other Non-Curr A	XXX		18,861						
Inc Res & Def Credits	XXX								
Other Inc NW	XXX								
Dec Working Cap	XXX	151,905					20,338	38,346	
TOTAL PROVIDED	XXX	705,724	555,355	448,424	495,116	560,985	683,935	738,431	
APPLICATIONS OF FUNDS									
Cash Div or Wd	XXX	16,034	15,265	32,459	53,409	60,011	83,661	54,374	
Dec Non-Curr Liab	XXX			11,318		16,824	50,452	24,656	
Inc Fixed Assets	XXX	394,329	296,529	136,150	166,504	171,567	157,085	202,679	
Inc Other Non-Curr A	XXX	38,414		26,506	37,929	33,080	56,542	61,766	
Dec Res & Def Credits	XXX								
Other Dec NW	XXX	256,947	19,866	137,287	188,531	247,045	336,195	394,956	
Inc Working Capital	XXX		223,695	104,704	48,743	32,458			
TOTAL APPLIED	XXX	705,724	555,355	448,424	495,116	560,985	683,935	738,431	

PETSMART									
STATEMENT OF COMPREHENSIVE INCOME									
		2006	2007	2008	2009	2010	2011	2012	2013
Net Profit		XXX	258,684	192,670	198,325	239,867	290,243	389,619	419,520
Forgn Curr Transl Adj		XXX							
Min Pension Liab Adj		XXX							
Unreal Investm G/L		XXX	4,457	(8,299)	5,083	3,011	110	16	(7,665)
Comprehensive Inc		XXX	263,141	184,371	203,408	242,878	290,353	389,635	411,855

PETSMART									
STATEMENT OF CASH FLOW FROM OPERATIONS AND FREE CASH FLOW									
	2006	2007	2008	2009	2010	2011	2012	2013	
Net Profit	XXX	258,684	192,670	198,325	239,867	290,243	389,619	419,520	
DIT	XXX	(15,251)	33,957	(13,572)	(11,325)	(3,702)	(21,009)	(11,973)	
Depreciation	XXX	195,980	225,054	236,538	235,926	236,974	238,406	235,431	
Depletion	XXX								
Amortization	XXX								
Stock Based Comp	XXX	18,333	24,301	24,792	23,928	27,989	29,957	28,300	
Chg LT Accruals	XXX	13,139	65,594	8,807	13,814	(545)	(9,757)	(11,675)	
LIFO Charge(s)	XXX								
G/L on Sale of Secs	XXX	4,429	3,433	4,403	4,554	4,369	3,650	2,500	
G/L on Sale of Land	XXX								
Equity Earnings	XXX	1,671	2,592	6,548	10,372	10,926	15,970	17,425	
Equity Dividends	XXX					15,960	13,860	23,782	
Other	XXX								
Amt Dilution Adj	XXX								
Extra Item (Net)	XXX								
Minority Interest	XXX	(1,671)	(2,592)	(6,548)	(10,372)	(10,926)	(15,970)	(17,425)	
Capitalized Int/Costs	XXX								
Chg Accts Recv	XXX	(12,800)	732	(3,623)	(1,739)	72	(18,299)	(487)	
Chg Allowance A/Rs	XXX								
Chg Inventory	XXX	(13,812)	(82,799)	20,622	(52,452)	(29,023)	(34,226)	(61,212)	
Chg Other Curr Assets	XXX	(22,182)	(14,446)	30,025	11,630	(34,330)	(6,416)	10,305	
Chg Accts Payable	XXX	(7,286)	22,278	17,491	(43,345)	30,401	2,945	53,129	
Chg A/P Adjustment	XXX								
Chg Income Tax Pay	XXX								
Chg Deferred Rev	XXX								
Chg Other Curr Liabs	XXX	7,478	(77,261)	63,975	44,483	68,158	63,279	(18,962)	
Cash Flow From Ops	XXX	426,712	393,513	587,783	465,341	606,566	652,009	668,658	
Dividends	XXX	16,034	15,265	32,459	53,409	60,011	83,661	54,374	
Net Cap Expenditure	XXX	293,898	235,237	109,026	124,876	120,389	135,782	137,816	
Free Cash Flow	XXX	116,780	143,011	446,298	287,056	426,166	432,566	476,468	
FCF/Sales	XXX	2.50%	2.82%	8.36%	5.04%	6.97%	6.40%	6.89%	
FC Growth Profile	XXX	0.176	0.102	0.100	0.106	0.110	0.127	0.125	

PETSMART									
CASH-GENERATING EFFICIENCY									
		2006	2007	2008	2009	2010	2011	2012	2013
CFFO/NetProfits	XXX	1.65	2.04	2.96	1.94	2.09	1.67	1.59	
CFFO/Sales	XXX	0.09	0.08	0.11	0.08	0.10	0.10	0.10	
CFFO/AvgTotAssets	XXX	0.20	0.17	0.24	0.19	0.24	0.26	0.26	

PETSMART									
STATEMENT OF CASH VARIANCE									
		2006	2007	2008	2009	2010	2011	2012	2013
Revenue		XXX	438,799	392,637	271,099	357,405	419,507	644,933	158,390
Cost of Goods Sold									
Growth		XXX	(303,261)	(271,903)	(191,062)	(255,655)	(297,605)	(454,572)	(110,061)
Efficiency		XXX	(6,487)	(62,122)	(56,253)	33,564	27,990	67,355	5,469
Operating Expenses									
Growth		XXX	(102,183)	(91,197)	(60,242)	(77,031)	(90,315)	(137,283)	(33,067)
Efficiency		XXX	2,811	50,926	35,683	1,366	14,814	27,665	21,370
Receivables									
Growth		XXX	(3,787)	(4,146)	(2,602)	(3,498)	(3,976)	(5,686)	(1,692)
Efficiency		XXX	(9,013)	4,878	(1,021)	1,759	4,048	(12,613)	1,205
Inventory (Fifo)									
Growth		XXX	(51,595)	(51,739)	(40,459)	(32,779)	(41,106)	(57,951)	(15,125)
Efficiency		XXX	37,783	(31,060)	61,081	(19,673)	12,083	23,725	(46,087)
Accounts Payable									
Growth		XXX	19,016	17,791	13,484	12,342	11,266	17,899	4,502
Efficiency		XXX	(26,302)	4,487	4,007	(55,687)	19,135	(14,954)	48,627
Taxes									
Growth		XXX	(41,186)	32,416	(845)	(23,960)	(28,407)	(56,874)	(16,766)
Efficiency		XXX	1,054	(8,255)	4,310	1,118	1,843	505	651
Deferred Taxes									
Growth		XXX	(7,214)	2,538	(972)	(2,637)	(2,143)	(1,250)	(1,516)
Efficiency		XXX	10,845	46,670	(46,557)	4,884	9,766	(16,057)	10,552
Taxes Payable									
Growth		XXX							
Efficiency		XXX							

PETSMART									
WORKING CAPITAL ANALYSIS									
	2006	2007	2008	2009	2010	2011	2012	2013	
INC IN WK CAPITAL									
Inc Cash	XXX		67,992	182,046		50,943			
Inc Accts Recv	XXX	12,800		3,623	1,739		18,299	487	
Dec Bad Debts	XXX								
Inc Inventory	XXX	13,812	82,799		52,452	29,023	34,226	61,212	
Inc Other Curr. Asset	XXX			26,729	19,539	60,065	8,460		
Dec Notes Payable	XXX		30,000						
Dec Accts Payable	XXX	7,286			43,345				
Dec Tax Payable	XXX								
Dec Other Curr. Liab.	XXX		70,010						13,676
DEC IN WK CAPITAL									
Dec Cash	XXX	90,477			16,411		7,737	49,533	
Dec Accts Recv	XXX		732			72			
Inc Bad Debts	XXX								
Dec Inventory	XXX			20,622					
Dec Other Curr. Asse	XXX	50,533	4,096						11,059
Inc Notes Payable	XXX	30,000							
Inc Accts Payable	XXX		22,278	17,491		30,401	2,945	53,129	
Inc Tax Payable	XXX								
Inc Other Curr. Liab.	XXX	14,793		69,581	51,921	77,100	70,641		
WK CAP CHANGE	XXX	(151,905)	223,695	104,704	48,743	32,458	(20,338)	(38,346)	

PETSMART									
SALES PER SEGMENT ANNUAL GROWTH RATES (%)									
		2006	2007	2008	2009	2010	2011	2012	2013
Merchandise		XXX	10.36	8.40	5.35	6.70	(5.13)	10.70	2.21
Services		XXX						9.72	3.45
Other		XXX						3.94	1.98

PETSMART									
COMMON SIZE INCOME STATEMENT (%)									
	2006	2007	2008	2009	2010	2011	2012	2013	
Merchandise	100.00%	100.00%	100.00%	100.00%	100.00%	88.36%	88.48%	88.36%	
Services						11.04%	10.96%	11.07%	
Other						0.60%	0.56%	0.56%	
Cost Of Goods Sold	69.11%	69.25%	70.48%	71.53%	70.94%	70.48%	69.49%	69.41%	
GROSS PROFIT	30.89%	30.75%	29.52%	28.47%	29.06%	29.52%	30.51%	30.59%	
Sell General Adm	18.06%	17.96%	16.79%	16.01%	16.22%	16.05%	16.06%	15.78%	
R&D									
Advertising									
Pre-Opening									
Executive Salaries									
Deprec/Amort									
Oper Exp Rentals	5.22%	5.26%	5.43%	5.55%	5.31%	5.23%	4.81%	4.79%	
Fixed Charges									
Other Oper Expense									
TOTAL OPER EXP	23.29%	23.23%	22.22%	21.55%	21.53%	21.29%	20.88%	20.57%	
OPER PROFIT	7.60%	7.52%	7.30%	6.92%	7.53%	8.23%	9.64%	10.02%	
Other Income	0.25%	2.19%							
Extra Item (Net)									
Other Expense									
Interest Expense	1.00%	1.10%	1.16%	1.12%	1.03%	0.93%	0.80%	0.75%	
Minority Interest (+)		-0.04%	-0.05%	-0.12%	-0.18%	-0.18%	-0.24%	-0.25%	
PRE TAX PROFIT	6.85%	8.64%	6.19%	5.92%	6.68%	7.48%	9.07%	9.53%	
Income Tax	36.21%	36.10%	38.90%	38.00%	37.96%	37.41%	37.41%	37.32%	
NET PROFIT	4.37%	5.54%	3.80%	3.72%	4.21%	4.75%	5.77%	6.07%	

PETSMART									
COMMON SIZE BALANCE SHEET (%)									
	2006	2007	2008	2009	2010	2011	2012	2013	
Cash	7.25%	2.69%	5.36%	12.52%	11.82%	13.48%	13.21%	11.33%	
Mkt. Securities	3.89%			1.96%	2.88%	3.56%	3.20%	2.82%	
Acct Receivable	1.78%	2.28%	2.06%	2.12%	2.18%	2.12%	2.85%	2.88%	
Allow Bad Debt (-)									
Total Inventory	23.74%	23.13%	24.77%	22.88%	24.93%	25.35%	26.77%	29.35%	
Raw Materials									
Work-in-Process									
Finished Goods									
LIFO Reserve (-)									
DIT	1.93%	2.16%	1.20%	1.49%	1.82%	2.02%	2.48%	2.85%	
Prepays & Other	2.49%	3.38%	3.72%	2.34%	1.86%	3.16%	3.42%	3.03%	
TOT CURR ASSET	41.07%	33.63%	37.11%	43.32%	45.50%	49.68%	51.92%	52.27%	
Land	0.15%	0.14%	0.03%	0.03%	0.04%	0.04%			
Buildings									
Mach & Equipment	79.60%	90.89%	94.48%	93.61%	99.16%	99.23%	103.77%	108.77%	
Furn, Fixt & Other									
Constr In Progress	3.80%	3.99%	2.11%	1.53%	1.19%	2.26%	2.12%	2.79%	
Acm Depr & Amt (-)	-33.26%	-38.23%	-41.38%	-46.35%	-54.54%	-59.59%	-67.04%	-73.78%	
NET FIXED ASSETS	50.28%	56.79%	55.23%	48.82%	45.84%	41.94%	38.85%	37.79%	
Contracts In Progress									
DIT	4.76%	5.01%	3.95%	3.85%	3.89%	3.67%	4.06%	4.38%	
LT Investments									
Investment in Sub	1.85%	1.08%	1.10%	1.32%	1.73%	1.49%	1.57%	1.33%	
Prepaid Retirement Plan									
Intangibles (Net)	0.76%	2.11%	1.64%	1.71%	1.79%	1.73%	1.74%	1.63%	
Other	1.29%	1.38%	0.97%	0.97%	1.24%	1.48%	1.85%	2.60%	
TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Commercial Paper									
Notes Payable		1.38%							
LTD Current	0.86%	1.15%	1.37%	1.54%	1.83%	2.13%	2.43%	2.65%	
Accts Payable	8.75%	7.95%	8.26%	8.62%	6.83%	7.83%	7.97%	10.12%	
Deferred Revenues									
Dividends Payable									
Income Tax Payable									
Taxes Non-Income									
Marketing & Distrib									
Employee Compens	5.88%	6.13%	3.75%	4.27%	5.64%	6.21%	6.94%	6.34%	
Customer Vol Discts									
Rent	2.19%	2.17%	2.36%	2.56%	2.60%	2.70%	2.79%	3.25%	
Insurance									
Warranty Costs									
Other	7.56%	6.87%	4.55%	5.97%	6.32%	7.91%	9.63%	9.13%	
TOTAL CURR LIAB	25.24%	25.65%	20.28%	22.96%	23.23%	26.78%	29.76%	31.50%	
LTD									
Capital Leases	21.01%	23.48%	23.49%	21.67%	21.11%	19.86%	18.31%	17.91%	
Notes									
Notes									
Bonds									
Bonds									
Securitization of A/Rs									
Other - Non-Int Debt	5.01%	5.35%	7.70%	7.73%	8.27%	8.01%	7.64%	7.23%	
Post Retirement Oblig									
Subordinated Debt									
Subordinated Debt									
TOTAL LIABILITIES	51.26%	54.48%	51.47%	52.37%	52.61%	54.65%	55.71%	56.63%	
DIT									
Minority Interest									
Reserves									
Forgn Curr Transl Adj									
Min Pension Liab Adj									
Stock Option Loans									
Cumm Unreal Inv G/L	0.05%	0.26%	-0.12%	0.10%	0.22%	0.22%	0.22%	-0.09%	
Deferred Compensat									
Treasury Stock (-)	-26.39%	-39.54%	-38.46%	-43.53%	-54.04%	-65.71%	-83.89%	-102.79%	
Retained Earnings	25.17%	35.01%	39.70%	44.42%	51.73%	59.24%	72.05%	86.16%	
Paid-In-Capital	49.90%	49.80%	47.40%	46.64%	49.48%	51.61%	55.91%	60.09%	
Preferred Stock A									
Preferred Stock B									
Common Stock A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Common Stock B									
TOT NET WORTH	48.74%	45.52%	48.53%	47.63%	47.39%	45.35%	44.29%	43.37%	
TOT LIAB + NW	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

PETSMART									
STOCK PERFORMANCE ANALYSIS									
	2006	2007	2008	2009	2010	2011	2012	2013	
# Outstanding Shares	135,836	129,851	124,342	122,363	116,799	111,909	107,819	103,203	
# Diluted C/S Outstd	139,537	132,954	126,751	124,701	119,405	113,993	109,611	104,316	
\$ Amt Dilution Adjstm									
High Price	32.20	35.48	28.86	27.50	41.20	54.96	72.50	77.32	
Low Price	22.07	20.29	13.27	16.17	25.01	37.76	52.83	61.30	
Dividends/Share	0.12	0.12	0.12	0.27	0.46	0.54	0.78	0.53	
Low Yield/Share	0.38%	0.35%	0.43%	0.96%	1.11%	0.98%	1.07%	0.68%	
High Yield/Share	0.56%	0.61%	0.93%	1.64%	1.83%	1.42%	1.47%	0.86%	
Earnings Per Share									
Diluted EPS	1.33	1.95	1.52	1.59	2.01	2.55	3.55	4.02	
High P/E Ratio	24.28	18.24	18.99	17.29	20.51	21.59	20.40	19.23	
Avg High P/E Ratio Latest 3 Yrs =			20.50	18.17	18.93	19.80	20.83	20.40	
Low P/E Ratio	16.64	10.43	8.73	10.17	12.45	14.83	14.86	15.24	
Avg Low P/E Ratio Latest 3 Yrs =			11.93	9.78	10.45	12.48	14.05	14.98	
Is the EPS approximate growth rate implicit in the present PE Multiple (H/L) greater than the actual EPS growth rate? Psychological red flag of overpayment regardless of quality?									
		N/N	Y/Y	Y/Y	N/N	N/N	N/N	Y/Y	
EPS Growth Rate	XXX	46.70%	-21.87%	4.63%	26.31%	26.75%	39.61%	13.14%	
Sustainable Growth Rate	XXX	24.42%	16.65%	14.32%	15.91%	19.81%	26.87%	32.93%	
Net Profit Growth Rate	XXX	39.78%	-25.52%	2.94%	20.95%	21.00%	34.24%	7.67%	
Is the EPS approximate growth rate implicit in the present PE Multiple (H/L) greater than the ROE? Psychological red flag of overpayment regardless of quality?									
		N/N	Y/N	Y/N	Y/N	N/N	N/N	N/N	
Return on C/S Equity	XXX	26.03%	18.08%	17.12%	20.47%	24.97%	34.22%	37.84%	
High EPS Relative Weight =			6.22	6.29	7.26	7.91	8.68	9.20	
Low EPS Relative Weight =			2.87	3.27	3.80	4.02	4.27	4.48	
Cash Flow Per Share									
Dil Cash Flow/Shr	2.38	3.36	3.61	3.43	3.95	4.79	5.72	6.43	
Cash Flow	331,855	446,327	457,270	428,304	471,688	546,357	626,618	670,687	
High P/CF Ratio	13.54	10.57	8.00	8.01	10.43	11.47	12.68	12.03	
Avg High P/CF Ratio Latest 3 Yrs =			10.70	8.86	8.81	9.97	11.53	12.06	
Low P/CF Ratio	9.28	6.04	3.68	4.71	6.33	7.88	9.24	9.53	
Avg Low P/CF Ratio Latest 3 Yrs =			6.33	4.81	4.91	6.31	7.82	8.88	
High CF/S Relative Weight =			3.86	3.81	4.42	4.87	5.01	5.34	
Low CF/S Relative Weight =			2.25	2.43	2.84	3.10	3.41	3.17	
Sales Per Share									
Diluted Sales/Share	30.34	35.14	39.96	42.79	47.68	53.63	61.66	66.30	
High P/S Ratio	1.06	1.01	0.72	0.64	0.86	1.02	1.18	1.17	
Avg High P/S Ratio Latest 3 Yrs =			0.93	0.79	0.74	0.84	1.02	1.12	
Low P/S Ratio	0.73	0.58	0.33	0.38	0.52	0.70	0.86	0.92	
Avg Low P/S Ratio Latest 3 Yrs =			0.55	0.43	0.41	0.54	0.70	0.83	
High Sales/Share Relative Wt =			5.10	4.14	4.79	5.09	4.82	4.86	
Low Sales/Share Relative Wt =			2.73	2.75	3.19	3.31	3.07	2.94	

Book Value Per Share									
Tangible BV/Share	7.25	7.25	8.89	9.24	9.65	9.92	10.01	10.20	
Book Value/Share	7.37	7.60	9.20	9.58	10.02	10.31	10.42	10.60	
High P/BV Ratio	4.37	4.67	3.14	2.87	4.11	5.33	6.96	7.30	
	Avg High BV/S Ratio Latest 3 Yrs =		4.06	3.56	3.37	4.10	5.47	6.53	
Low P/BV Ratio	3.00	2.67	1.44	1.69	2.50	3.66	5.07	5.78	
	Avg Low BV/S Ratio Latest 3 Yrs =		2.37	1.93	1.87	2.61	3.74	4.84	
	High BV/Share Relative Wt =		4.99	4.22	4.87	4.37	3.25	3.12	
	Low BV/Share Relative Wt =		2.89	2.93	3.40	3.02	2.32	2.12	
Graham Number									
	14.83	18.24	17.74	18.52	21.28	24.30	28.87	30.97	
PE Buy-Out Price	9.35	10.80	12.22	13.08	14.62	16.39	18.80	20.11	
Undervalued?	#VALUE!	0.02	0.04	0.17	0.07	0.08	0.06	0.06	

NOTE:	INFORMATION OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE,									
	BUT ITS ACCURACY AND COMPLETENESS AND ANY OPINIONS BASED									
	THEREON ARE NOT GUARANTEED. IT SHOULD NOT BE CONSTRUED									
	TO BE A RECOMMENDATION FOR THE PURCHASE, RETENTION, OR SALE									
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