



Same Store Sales Up 5.4%; AutoZone 4th Quarter EPS \$4.43

September 23, 2009

MEMPHIS, Tenn., Sept. 23, 2009 (GLOBE NEWSWIRE) -- AutoZone, Inc. (NYSE:AZO) today reported net sales of \$2.2 billion for its fourth quarter (16 weeks) ended August 29, 2009, an increase of 1.0% from fiscal fourth quarter 2008 (17 weeks). Excluding sales from the additional week included in the prior year's quarter, sales were up 7.1%, and domestic same store sales, or sales for stores open at least one year, increased 5.4% for the quarter.

Net income for the quarter decreased 3.1% from the same period last year to \$236.1 million, while diluted earnings per share increased 14.2% to \$4.43 per share from \$3.88 per share in the year-ago quarter. Excluding the additional week in last year's fourth quarter results, comparable net income for the quarter increased 3.6% over the previous year's quarter, while diluted earnings per share increased 22.0%.

For the quarter, gross profit, as a percentage of sales, was 50.3% (versus 50.3% last year). While gross margin was positively impacted through continued leverage of distribution costs due to improved efficiencies and lower fuel costs, it was offset by a shift in merchandise sales mix to lower margin products. Operating expenses, as a percentage of sales, were 31.6% (versus 31.4% last year). Excluding the impact from last year's additional week, operating expenses, as a percentage of sales, were flat with last year. Leverage from increased sales was largely offset by our continued investments in our enhanced hub stores and an acceleration of our store maintenance program. Additionally, included in operating expenses this quarter was a \$3.6 million interest rate swap termination amount (16 bps) related to the prepayment of AutoZone's \$300 million bank loan due in December 2009.

For the fiscal year ended August 29, 2009, sales were \$6.8 billion, an increase of 4.5% from the prior year, while domestic same store sales were up 4.4%. Operating profit increased 4.6% on an operating margin of 17.3%. For fiscal 2009, net income increased 2.4% to \$657 million, while diluted earnings per share for the period increased 16.8% to \$11.73 from \$10.04. Excluding results from last year's additional week, sales increased 6.6% from the prior year, and operating profit increased 7.2%. Excluding last year's extra week, net income increased 5.0% and diluted earnings per share increased 19.7%.

Under its share repurchase program, AutoZone repurchased 3.8 million shares of its common stock for \$587 million during the fourth quarter, at an average price of \$154 per share. For the fiscal year, the Company repurchased 9.3 million shares of its common stock for \$1.3 billion, at an average price of \$140 per share.

The Company's inventory increased 2.7% over the same period last year. However, inventory per store was \$500 thousand versus \$507 thousand last year, a decrease of 1.4%. Net inventory, defined as merchandise inventories less accounts payable, decreased on a per store basis to \$20 thousand from \$25 thousand last year. The Company believes the continued refinement of its hub and satellite store network heading into the new fiscal year will continue to help mitigate inventory growth while adding more late model parts coverage.

"We are very pleased with our comparable performance for both the fourth quarter and fiscal year 2009. Our plan has remained generally consistent, and we have focused our efforts on enhancing the customer experience. In fiscal 2009, we again expanded our parts assortment, significantly increased the number of markets supported by our enhanced Hub store model, expanded our Commercial sales force, increased formalized training, and leveraged new technologies all primarily focused on customer service improvements. As our sales performance improved, we elected to accelerate the expansion of several of these initiatives to better position us to continue to grow our sales for the future. In fiscal 2009, we experienced market share gains in each of our four businesses. I'd like to thank all our AutoZoners across North America for their dedication and passionate commitment to our customers and our organization. Finally, I'd like to highlight that our return on invested capital increased again ending the year at 24.4%. This performance highlights our commitment to a disciplined approach of increasing operating earnings and utilizing our capital effectively," said Bill Rhodes, Chairman, President and Chief Executive Officer.

During the quarter AutoZone opened 58 new stores, closed one store, and replaced three stores in the U.S. and opened 20 stores in Mexico. As of August 29, 2009, the Company had 4,229 stores in 48 states, the District of Columbia and Puerto Rico in the U.S. and 188 stores in Mexico.

AutoZone is the leading retailer and a leading distributor of automotive replacement parts and accessories in the United States. Each store carries an extensive product line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured automotive hard parts, maintenance items, accessories, and non-automotive products. Many stores also have a commercial sales program that provides commercial credit and prompt delivery of parts and other products to local, regional and national repair garages, dealers, service stations, and public sector accounts. AutoZone also sells the ALLDATA brand diagnostic and repair software. On the web, AutoZone sells diagnostic and repair information, and auto and light truck parts through www.autozone.com. AutoZone does not derive revenue from automotive repair or installation.

AutoZone will host a conference call this morning, Wednesday, September 23, 2009, beginning at 10:00 a.m. (EDT) to discuss its fourth quarter results. Investors may listen to the conference call live and review supporting slides on the AutoZone corporate website, www.autozoneinc.com by clicking "Investor Relations," "Conference Calls." The call will also be available by dialing (210) 839-8923. A replay of the call and slides will be available on AutoZone's website. In addition, a replay of the call will be available by dialing (203) 369-1211 through Wednesday, September 30, 2009 at 11:59 p.m. (EDT).

This release includes certain financial information not derived in accordance with generally accepted accounting principles ("GAAP"). These non-GAAP measures include return on invested capital, adjusted debt, adjusted debt/EBITDAR, and adjusted consolidated statements of operations. The Company believes that the presentation of these non-GAAP measures provides information that is useful to investors as it indicates more clearly the Company's comparative year-to-year operating results, but this information should not be considered a substitute for any measures derived in accordance with GAAP. Management targets the Company's debt levels to a ratio of adjusted debt to EBITDAR and manages cash flows available for share repurchase by monitoring cash flows before share repurchases, as shown on the attached tables. The Company believes this is important information for the management of its debt levels and share repurchases. We have included a reconciliation of this additional information to the most comparable GAAP measures in the accompanying reconciliation tables.

Certain statements contained in this press release are forward-looking statements. Forward-looking statements typically use words such as "believe," "anticipate," "should," "intend," "plan," "will," "expect," "estimate," "project," "positioned," "strategy," and similar expressions. These are based on assumptions and assessments made by our management in light of experience and perception of historical trends, current conditions, expected future developments and other factors that we believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including without limitation: competition; product demand; the economy; credit markets; the ability to hire and retain qualified employees; consumer debt levels; inflation; weather; raw material costs of our suppliers; energy prices; war and the prospect of war, including terrorist activity; availability of consumer transportation; construction delays; access to available and feasible financing; and changes in laws or regulations. Forward-looking statements are not guarantees of future performance and actual results; developments and business decisions may differ from those contemplated by such forward-looking statements, and such events could materially and adversely affect our business. Forward-looking statements speak only as of the date made. Except as required by applicable law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results may materially differ from anticipated results. Please refer to the Risk Factors section of AutoZone's Form 10-K for the fiscal year ended August 30, 2008, for more information related to those risks.

AutoZone's 4th Quarter Highlights - Fiscal 2009

Condensed Consolidated Statements of Operations

4th Quarter

(in thousands,
except per share
data)

	GAAP Results		Adjustments	
	16 Weeks Ended August 29, 2009	17 Weeks Ended August 30, 2008	4th Quarter 2008	4th Quarter 2009 Week 17
Net sales	\$ 2,232,494	\$ 2,210,514	\$ --	\$ (125,894)
Cost of sales	1,109,441	1,098,702	--	(62,700)
Gross profit	1,123,053	1,111,812	--	(63,194)
Operating, SG&A expenses	705,457	694,973	--	(36,087)
Operating profit (EBIT)	417,596	416,839	--	(27,107)
Interest expense, net	47,762	34,764	--	(2,340)
Income before taxes	369,834	382,075	--	(24,767)
Income taxes	133,708	138,328	--	(8,967)
Net income	\$ 236,126	\$ 243,747	\$ --	\$ (15,800)
Net income per share:				
Basic	\$ 4.49	\$ 3.92	\$ --	\$ (0.26)
Diluted	\$ 4.43	\$ 3.88	\$ --	\$ (0.25)
Weighted average shares outstanding:				
Basic	52,546	62,238		62,238
Diluted	53,323	62,861		62,861

Adjusted

4th Quarter 2009	4th Quarter 2008 Excluding Week 17
---------------------	---

Net sales	\$ 2,232,494	\$ 2,084,620
Cost of sales	1,109,441	1,036,002
Gross profit	1,123,053	1,048,618
Operating, SG&A expenses	705,457	658,886
Operating profit (EBIT)	417,596	389,732
Interest expense, net	47,762	32,424
Income before taxes	369,834	357,308
Income taxes	133,708	129,361
Net income	\$ 236,126	\$ 227,947
Net income per share:		
Basic	\$ 4.49	\$ 3.66
Diluted	\$ 4.43	\$ 3.63
Weighted average shares outstanding:		
Basic	52,546	62,238
Diluted	53,323	62,861

Fiscal Year 2009
(in thousands,
except per share
data)

	GAAP Results		Adjustments	
	52 Weeks Ended August 29, 2009	53 Weeks Ended August 30, 2008	Fiscal Year 2009	Fiscal Year 2008 Week 53
Net sales	\$ 6,816,824	\$ 6,522,706	\$ --	\$ (125,894)
Cost of sales	3,400,375	3,254,645	--	(62,700)
Gross profit	3,416,449	3,268,061	--	(63,194)
Operating, SG&A expenses	2,240,387	2,143,927	--	(36,087)
Operating profit (EBIT)	1,176,062	1,124,134	--	(27,107)
Interest expense, net	142,316	116,745	--	(2,340)
Income before taxes	1,033,746	1,007,389	--	(24,767)
Income taxes	376,697	365,783	--	(8,967)
Net income	\$ 657,049	\$ 641,606	\$ --	\$ (15,800)
Net income per share:				
Basic	\$ 11.89	\$ 10.14	\$ --	\$ (0.25)
Diluted	\$ 11.73	\$ 10.04	\$ --	\$ (0.24)
Weighted Average Shares outstanding:				
Basic	55,282	63,295		63,295
Diluted	55,992	63,875		63,875

Fiscal Year 2009
(in thousands, except per share data)

Adjusted

	Fiscal Year 2009	Fiscal Year 2008 Excluding Week 53
Net sales	\$ 6,816,824	\$ 6,396,812
Cost of sales	3,400,375	3,191,945
Gross profit	3,416,449	3,204,867
Operating, SG&A expenses	2,240,387	2,107,840
Operating profit (EBIT)	1,176,062	1,097,027
Interest expense, net	142,316	114,405
Income before taxes	1,033,746	982,622
Income taxes	376,697	356,816
Net income	\$ 657,049	\$ 625,806
Net income per share:		
Basic	\$ 11.89	\$ 9.89
Diluted	\$ 11.73	\$ 9.80
Weighted Average Shares outstanding:		
Basic	55,282	63,295
Diluted	55,992	63,875

Selected Balance Sheet Information
(in thousands)

	August 29, 2009	August 30, 2008
Cash and cash equivalents	\$ 92,706	\$ 242,461
Merchandise inventories	2,207,497	2,150,109
Current assets	2,561,730	2,586,301
Property and equipment, net	2,354,357	2,289,656
Total assets	5,318,405	5,257,112
Accounts payable	2,118,746	2,043,271
Current liabilities	2,706,752	2,519,320
Total debt	2,726,900	2,250,000
Stockholders' equity	(433,074)	229,687
Working capital	(145,022)	66,981

Adjusted Debt / EBITDAR (Trailing 4 Qtrs)	August 29, 2009	August 30, 2008
Net income	\$ 657,049	\$ 641,606
Add: Interest	142,316	116,745
Taxes	376,697	365,783
EBIT	1,176,062	1,124,134
Add: Depreciation	180,433	169,509
Rent expense	181,308	165,121
Option expense	19,137	18,388
EBITDAR	\$ 1,556,940	\$ 1,477,152
Debt	\$ 2,726,900	\$ 2,250,000
Capital lease obligations	54,764	64,061
Add: rent x 6	1,087,848	990,726

Adjusted debt	\$ 3,869,512	\$ 3,304,787
---------------	--------------	--------------

Adjusted debt to EBITDAR	2.5	2.2
--------------------------	-----	-----

Selected Cash Flow Information
(in thousands)

	16 Weeks Ended August 29, 2009	17 Weeks Ended August 30, 2008	52 Weeks Ended August 29, 2009	53 Weeks Ended August 30, 2008
Depreciation	\$ 57,160	\$ 52,800	\$ 180,433	\$ 169,509
Capital spending	\$ 112,160	\$ 90,072	\$ 272,247	\$ 243,594

Cash flow before share repurchases:				
Net increase (decrease) in cash and cash equivalents	\$ (1,581)	\$ 160,807	\$ (149,755)	\$ 155,807
Subtract increase (decrease) in debt	321,000	318,000	476,900	314,382
Subtract share repurchases	(587,396)	(499,206)	(1,300,002)	(849,196)
Cash flow before share repurchases and changes in debt	\$ 264,815	\$ 342,013	\$ 673,347	\$ 690,621

Other Selected Financial Information
(in thousands)

	August 29, 2009	August 30, 2008
Cumulative share repurchases (\$ since fiscal 1998)	\$ 7,590,917	\$ 6,290,915
Remaining share authorization (\$)	\$ 309,083	\$ 109,085
Cumulative share repurchases (shares since fiscal 1998)	115,370	106,056
Shares outstanding, end of quarter	50,801	59,607

	Trailing 4 Quarters	
	August 29, 2009	August 30, 2008
Net income	\$ 657,049	\$ 641,606
Add: After-tax interest	90,456	74,355
After-tax rent	115,239	105,166
After-tax return	862,744	821,127

Average debt*	2,477,233	2,015,186
Average capital lease obligations*	58,512	60,824
Average equity*	(82,006)	353,411
Add: pre-tax rent x 6	1,087,848	990,726
	-----	-----
Invested capital	\$ 3,541,587	\$ 3,420,147
	=====	=====

Return on Invested Capital (ROIC)	24.4%	24.0%
-----------------------------------	-------	-------

* All averages are computed by taking trailing 14 periods balances.

AutoZone's 4th Quarter Fiscal 2009
Selected Operating Highlights

Store Count & Square Footage

	16 Weeks Ended August 29, 2009	17 Weeks Ended August 30, 2008	52 Weeks Ended August 29, 2009	53 Weeks Ended August 30, 2008
Domestic stores:				
Store count:				
Stores opened	58	60	140	160
Stores closed	1	-	3	1
Replacement stores	3	6	9	14
Total domestic stores	4,229	4,092	4,229	4,092
Stores with commercial programs	2,303	2,236	2,303	2,236
Square footage (in thousands):	27,193	26,236	27,193	26,236
Mexico stores:				
Stores opened	20	18	40	25
Total stores in Mexico	188	148	188	148
Total stores chainwide	4,417	4,240	4,417	4,240
Square footage (in thousands):	28,550	27,291	28,550	27,291
Square footage per store	6,464	6,437	6,464	6,437

Sales Statistics

(\$ in thousands, except sales per average square foot)

	16 Weeks Ended August 29, 2009	17 Weeks Ended August 30, 2008	16 Weeks Ended August 23, 2008
Total Auto Parts (Domestic and Mexico)			

Total auto parts sales	\$	2,186,682	\$	2,164,635	\$	2,041,443
% Increase vs. LY		1.0%		10.3%		4.0%
% Increase vs. LY (excl 17th week)		7.1%				
Sales per average store	\$	499	\$	515	\$	486
Sales per average square foot	\$	77	\$	80	\$	76

Domestic Commercial

Total domestic commercial sales	\$	251,052	\$	250,301	\$	237,581
% Increase vs. LY		0.3%		11.3%		5.7%
% Increase vs. LY (excl 17th week)		5.7%				

All Other (ALLDATA and E-Commerce)

All other sales	\$	45,812	\$	45,879	\$	43,177
% Increase vs. LY		(0.1%)		14.6%		7.8%
% Increase vs. LY (excl 17th week)		6.1%				

	52 Weeks Ended August 29, 2009	53 Weeks Ended August 30, 2008	52 Weeks Ended August 23, 2008
Total Auto Parts (Domestic and Mexico)	\$ 6,671,939	\$ 6,383,697	\$ 6,260,505
% Increase vs. LY	4.5%	5.6%	3.6%
% Increase vs. LY (excl 53rd week)	6.6%		
Sales per average store	\$ 1,541	\$ 1,539	\$ 1,509
Sales per average square foot	\$ 239	\$ 240	\$ 235

Domestic Commercial

Total domestic commercial sales)	\$	773,047	\$	753,731	\$	741,011
% Increase vs. LY		2.6%		6.8%		5.0%
% Increase vs. LY (excl 53rd week)		4.3%				

All Other (ALLDATA and E-Commerce)

All other sales	\$	144,884	\$	139,009	\$	136,307
% Increase vs. LY		4.2%		11.1%		8.9%
% Increase vs. LY (excl 53rd week)		6.3%				

	16 Weeks Ended August 29, 2009	16 Weeks Ended August 23, 2008	52 Weeks Ended August 29, 2009	52 Weeks Ended August 23, 2008
Domestic same store sales	5.4%	0.6%	4.4%	0.4%

Inventory Statistics (Total Stores)

as of as of

	August 29, 2009	August 30, 2008
	-----	-----
Accounts payable/inventory	96.0%	95.0%
(\$ in thousands)		
Inventory	\$ 2,207,497	\$ 2,150,109
Inventory per store	\$ 500	\$ 507
Net inventory (net of payables)	\$ 88,751	\$ 106,838
Net inventory / store	\$ 20	\$ 25
	Trailing 4 quarters	
	August 29, 2009	August 30, 2008
	-----	-----
Inventory turns	1.5x	1.6x

CONTACT:

AutoZone, Inc.

Financial:

Brian Campbell

(901) 495-7005

brian.campbell@autozone.com

Media:

Ray Pohlman

(901) 495-7962

ray.pohlman@autozone.com