

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

December 6, 2005
(Date of earliest event reported)

AutoZone, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

1-10714
(Commission File Number)

62-1482048
(IRS Employer Identification No.)

123 South Front Street, Memphis, Tennessee
(Address of principal executive offices)

38103
(Zip Code)

Registrant's telephone number, including area code: **(901) 495-6500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On December 6, 2005 the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated December 6, 2005

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AutoZone, Inc.

(Registrant)

December 6, 2005

/s/ **HARRY L. GOLDSMITH**

(Date)

Harry L. Goldsmith
Executive Vice President, General Counsel and Secretary

Exhibit Index

99.1 Press release dated December 6, 2005

AutoZone First Quarter Sales up 4.0%; Same Store Sales up 1%; Adjusted EPS up 1.2%

MEMPHIS, Tenn., Dec. 6, 2005 (PRIMEZONE) -- AutoZone, Inc. (NYSE:AZO) today reported sales of \$1.338 billion for its fiscal first quarter (12 weeks) ended November 19, 2005, up 4.0% from fiscal first quarter 2005. Same store sales, or sales for domestic stores open at least one year, were up 1% for the quarter. Operating margin decreased 148 basis points from last year to 15.3%, while operating profit decreased 5.1% over the prior year.

Net income for the quarter decreased 6.7% over the same period last year to \$114.4 million, while diluted earnings per share declined 2.3% to \$1.48 per share from \$1.52 per share reported in the year-ago quarter.

For the quarter, gross profit, as a percentage of sales, was 49.0% (versus 48.3% last year). The improvement in comparable gross margin was largely due to the Company's ongoing category management initiatives as well as reduced sales of non-core, lower-margin merchandise. Operating expenses, as a percentage of sales, were 33.6% (versus 31.4% last year). The increase in operating expenses reflects a \$2.8 million hurricane related charge, and \$3.7 million in share-based expenses resulting from the adoption of the Financial Accounting Standards Board ("FASB") Statement No. 123(R), "Share-Based Payments." On a comparable basis, adjusted operating expenses were 33.2% or 171 basis points over last year. The increase in comparable operating expenses reflected both short-term expenditures and longer-term efforts to improve the customer shopping experience, from expanding hours of operation to continuing to improve the in-store merchandising presentation.

Excluding this quarter's hurricane and share-based expenses, adjusted operating profit decreased 2.1%, while adjusted diluted earnings per share increased 1.2% to \$1.54 versus the year-ago quarter of \$1.52.

Under its ongoing share repurchase program, AutoZone repurchased 123 thousand shares of its common stock for \$9.8 million during the first quarter, at an average price of \$80 per share. Since 1998 cumulative share repurchases have totaled \$4.1 billion, or 87.2 million shares at an average price of \$47 per share.

The Company's gross per store inventory level (the reported balance sheet inventory, which is total inventory less supplier owned pay-on-scan) as of November 19, 2005, was \$455 thousand versus \$464 thousand last year. Net inventory, defined as merchandise inventories less accounts payable, increased on a per store level to \$45 thousand from \$40 thousand last year. AutoZone continues programs to provide excellent product availability while effectively financing appropriate inventory levels.

"Our quarter began back in September on a very unfortunate note," said Bill Rhodes, President and Chief Executive Officer. "Two hurricanes impacted our stores in Louisiana, Mississippi, and Texas. In total, AutoZone had over 125 stores impacted in some form while over 160 AutoZoners were displaced from their homes following the storms. While our AutoZoners provided amazing support to get us back up and running, we unfortunately still have 13 locations closed due to the storms.

"During the quarter, we took specific actions to improve the customer shopping experience, and we are pleased with the initial response from our customers and AutoZoners. Our operating margin reflects the actions we took to improve the in-store customer experience. We increased training, placed additional focus on improving the appearance of our stores, and we intensified efforts to drive our unique and powerful culture. We will maintain our disciplined approach to growing operating earnings over the long term and utilizing our capital effectively, while striving to create the best shopping and working environment within the industry," continued Bill Rhodes, President and Chief Executive Officer.

During the quarter ended November 19, 2005, AutoZone opened 33 new stores and replaced 3 stores in the U.S. while opening 3 new stores in Mexico. Additionally, the Company has 13 U.S. stores still closed due to hurricane-related damage. As of November 19, 2005, the Company had 3,612 domestic stores and 84 stores in Mexico.

AutoZone is the nation's leading retailer of automotive parts and accessories. 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, and service stations. 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 one-hour conference call this morning, Tuesday, December 6, 2005, beginning at 10:00 a.m. (EDT) to discuss the first 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 (402) 220-4124 through Tuesday, December 13, 2005, at 11:59 p.m. (EDT).

This release includes certain financial information not derived in accordance with generally accepted accounting principles ("GAAP"). This information should not be considered a substitute for any measures derived in accordance with GAAP. The Company believes that this information is useful to investors as it indicates more clearly the Company's comparative year-to-year operating results. Management manages the Company's debt levels to a ratio of adjusted debt to EBITDAR, as shown on the attached tables. This is important information for the Company's management of its debt levels. We have included a reconciliation of this 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; the ability to hire and retain qualified employees; consumer debt levels; inflation; weather; raw material costs of our suppliers; gasoline prices; war and the prospect of war, including terrorist activity; availability of consumer transportation; construction delays; access to available and feasible financing; and our ability to continue to negotiate pay-on-scan and other arrangements with our vendors. 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 27, 2005, for more information related to those risks.

AutoZone's 1st Quarter Highlights - Fiscal 2006

Condensed Consolidated Statements of Operations
1st Quarter
(in thousands, except per share data)

	GAAP Results		Adjustments	
	12 Weeks Ended		12 Weeks Ended	
	Nov. 19, 2005	Nov. 20, 2004	Nov. 19, 2005(a)	Nov. 20, 2004
Net sales	\$1,338,076	\$1,286,203	\$ --	\$ --
Cost of sales	682,547	665,402	--	--
Gross profit	655,529	620,801	--	--
Operating, SG&A expenses	450,236	404,488	(6,539)	--
Operating profit (EBIT)	205,293	216,313	6,539	--
Interest expense, net	23,739	21,790	--	--
Income before taxes	181,554	194,523	6,539	--
Income taxes	67,180	72,000	2,420	--
Net income	\$ 114,374	\$ 122,523	\$ 4,119	\$ --
Net income per share:				
Basic	\$ 1.49	\$ 1.54	\$ 0.06	\$ --
Diluted	\$ 1.48	\$ 1.52	\$ 0.06	\$ --
Weighted average shares outstanding:				
Basic	76,588	79,711		
Diluted	77,152	80,748		

	Adjusted	
	12 Weeks Ended	
	November 19, 2005	November 20, 2004
Net sales	\$1,338,076	\$1,286,203
Cost of sales	682,547	665,402
Gross profit	655,529	620,801
Operating, SG&A expenses	443,697	404,488
Operating profit (EBIT)	211,832	216,313
Interest expense, net	23,739	21,790
Income before taxes	188,093	194,523
Income taxes	69,600	72,000
Net income	\$ 118,493	\$ 122,523

Net income per share:

Basic	\$ 1.55	\$ 1.54
Diluted	\$ 1.54	\$ 1.52
Weighted average shares outstanding:		
Basic	76,588	79,711
Diluted	77,152	80,748

(a) Fiscal 2006 operating expense includes \$2.8MM in hurricane related expense and \$3.7MM in share-based compensation expense related to the adoption of SFAS No.123(R).

Selected Balance Sheet Information
(in thousands)

	Nov. 19, 2005	Nov. 20, 2004	Aug. 27, 2005
Merchandise inventories	\$1,681,015	\$1,629,312	\$1,663,860
Current assets	2,000,758	1,839,997	1,929,459
Property and equipment, net	1,965,632	1,823,972	1,937,615
Total assets	4,339,831	4,019,804	4,245,257
Accounts payable	1,514,571	1,490,336	1,539,776
Current liabilities	1,844,868	1,792,662	1,811,159
Debt	1,789,775	1,824,775	1,861,850
Stockholders' equity	521,282	287,058	391,007
Working capital	155,890	47,335	118,300

Adjusted Debt / EBITDAR (Trailing 4 Qtrs)	November 19, 2005	November 20, 2004
Net income	\$ 562,870	\$ 566,981
Add: Interest	104,392	94,334
Taxes	297,382	338,600
EBIT	964,644	999,915
Add: Depreciation	140,756	108,598
Rent expense	154,203	118,017
Option expense	3,739	--
EBITDAR	\$1,263,342	\$1,226,530
Debt	\$1,789,775	\$1,824,775
Add : Rent x 6(b)	796,056	708,102
Adjusted debt	\$2,585,831	\$2,532,877
Adjusted debt to EBITDAR	2.0	2.1

Selected Cash Flow Information
(in thousands)

	12 Weeks Ended	
	November 19, 2005	November 20, 2004
Depreciation	\$ 30,816	\$ 25,657
Capital spending	\$ 58,457	\$ 58,807
Cash flow before share repurchase:		
Net increase (decrease) in cash and cash equivalents	\$ 6,568	\$ (12,971)
Subtract decrease in debt	(72,075)	(44,475)
Subtract share repurchases	(9,787)	(30,000)
Cash flow before share repurchases and changes in debt	\$ 88,430	\$ 61,504

Other Selected Financial Information
(in thousands)

	November 19, 2005	November 20, 2004
Cumulative share repurchases (\$)	\$4,111,553	\$3,704,913
Cumulative share repurchases (shares)	87,158	82,570
Shares outstanding, end of quarter	76,682	79,608

	November 19, 2005	November 20, 2004
Return on Equity (ROE)(b)	141.9%	151.1%

Trailing 4 Quarters

	November 19, 2005	November 20, 2004
Return on Invested Capital (ROIC)(b)	23.2%	24.9%

(b) Excludes the impact from the cumulative lease accounting adjustment and the one-time income tax benefit from the repatriation from foreign subsidiaries recorded in the second quarter of fiscal year 2005.

AutoZone's 1st Quarter Fiscal 2006
Selected Operating Highlights

Store Count & Square Footage

	12 Weeks Ended	
	November 19, 2005	November 20, 2004
Domestic stores:		
Store count:		
Stores opened	33	28
Hurricane-related store closures	13	--
Replacement stores	3	1
Total domestic stores	3,612	3,448
Stores with commercial sales	2,103	2,132
Square footage (in thousands):	22,937	21,862
Square footage per store	6,350	6,340
Stores in Mexico:		
Stores opened	3	1
Total stores in Mexico	84	64
Total stores chainwide	3,696	3,512

Sales Statistics (Domestic Stores Only)

	12 Weeks Ended		Trailing 4 Quarters	
	Nov. 19, 2005	Nov. 20, 2004	Nov. 19, 2005	Nov. 20, 2004
Total retail sales (\$ in thousands)	\$1,126,631	\$1,081,758	\$4,840,521	\$4,730,073
% Increase vs LY retail sales	4%	0%	2%	1%
Total commercial sales (\$ in thousands)	\$ 160,425	\$ 163,607	\$ 714,968	\$ 736,905
% Increase vs LY commercial sales	(2%)	(2%)	(3%)	6%
Sales per average store (\$ in thousands)	\$ 357	\$ 363	\$ 1,574	\$ 1,630
Sales per average square foot	56	57	248	257

12 Weeks Ended

	November 19, 2005	November 20, 2004
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Same store sales	----- 1%	----- (3%)
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Inventory Statistics (Total Stores)

-----	as of	November 19, 2005	November 20, 2004
-----		-----	-----
Accounts payable/inventory		90.1%	91.5%
(\$ in thousands)			
Gross inventory(c)		\$1,681,015	\$1,629,312
Gross inventory(c) / store		\$ 455	\$ 464
Net inventory (net of payables)		\$ 166,444	\$ 138,976
Net inventory / store		\$ 45	\$ 40

(c) Gross inventory excludes Pay On Scan inventory. This is the reported balance sheet number.

	Trailing 4 Quarters	
	November 19, 2005	November 20, 2004
	-----	-----
Inventory turns:		
Based on average inventories	1.8 x	1.8 x
Based on ending inventories	1.8 x	1.8 x
Inventory turns, net of payables:		
Based on average inventories	9.5 x	10.0 x
Based on ending inventories	17.6 x	20.7 x

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