
**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

Date of Report (Date of earliest event Reported): March 1, 2016

AutoZone, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction of
Incorporation)

1-10714
(Commission File Number)

62-1482048
(I.R.S. Employer Identification Number)

123 South Front Street, Memphis, Tennessee 38103
(Address of Principal Executive Offices) (Zip Code)

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

(Former name or former address, if changed since last report)

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 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))
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Item 2.02. Results of Operations and Financial Condition.

On March 1, 2016, AutoZone, Inc. issued a press release announcing its earnings for the fiscal quarter ended February 13, 2016, which is furnished as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

The following exhibit is furnished with this Current Report pursuant to Item 2.02:

(d) Exhibits

99.1 Press Release dated March 1, 2016.

SIGNATURE

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

AutoZone, Inc.

Date: March 1, 2016

By: /s/ WILLIAM T. GILES
William T. Giles
Chief Financial Officer and
Executive Vice President - Finance,
Information Technology and
ALLDATA

EXHIBIT INDEX

99.1 Press Release dated March 1, 2016

AutoZone 2nd Quarter Same Store Sales Increase 3.6%; EPS Increases 14.2% to \$7.43

MEMPHIS, Tenn., March 01, 2016 (GLOBE NEWSWIRE) -- AutoZone, Inc. (NYSE:AZO) today reported net sales of \$2.3 billion for its second quarter (12 weeks) ended February 13, 2016, an increase of 5.3% from the second quarter of fiscal 2015 (12 weeks). Domestic same store sales, or sales for stores open at least one year, increased 3.6% for the quarter.

Net income for the quarter increased 8.0% over the same period last year to \$228.6 million, while diluted earnings per share increased 14.2% to \$7.43 per share from \$6.51 per share in the year-ago quarter.

For the quarter, gross profit, as a percentage of sales, was 52.7% (versus 52.2% for last year's quarter). The improvement in gross margin was attributable to higher merchandise margins, partially offset by higher supply chain costs associated with current year inventory initiatives (-21 bps). Operating expenses, as a percentage of sales, were 35.8% (versus 35.4% last year). The increase in operating expenses, as a percentage of sales, was primarily due to a favorable credit card litigation settlement recognized during last year's quarter (-25 bps), and higher domestic store payroll (-13 bps).

Under its share repurchase program, AutoZone repurchased 197 thousand shares of its common stock for \$150 million during the second quarter, at an average price of \$761 per share. At the end of the second quarter, the Company had \$548 million remaining under its current share repurchase authorization.

The Company's inventory increased 3.9% over the same period last year, driven primarily by new store openings over the last twelve months. Inventory per location was \$633 thousand versus \$631 thousand last year and \$624 thousand last quarter. Net inventory, defined as merchandise inventories less accounts payable, on a per location basis was a negative \$57 thousand versus negative \$47 thousand last year and negative \$66 thousand last quarter.

"We would like to thank our entire organization for delivering another quarter of solid results: our thirty-eighth consecutive quarter of double digit earnings per share growth. Our strong culture of providing exceptional customer service continues to be a key point of differentiation. During the quarter, we continued implementation of our inventory availability initiatives. At the end of the quarter, we have expanded our increased frequency of distribution center deliveries initiative to 1,300 domestic AutoZone stores and expect by the end of the fiscal year to be servicing approximately 2,000 of our over 5,000 domestic AutoZone stores. We also plan to open approximately five additional Mega Hubs by the end of the fiscal year. Our results to date continue to meet or exceed our expectations, further confirming our new inventory deployment strategy. While we continue to strategically invest in our business in order to support our growth, we remain committed to our disciplined approach to growing operating earnings and utilizing our capital effectively," said Bill Rhodes, Chairman, President and Chief Executive Officer.

During the quarter ended February 13, 2016, AutoZone opened 30 new stores and relocated two stores in the U.S., opened nine new stores in Mexico, and opened two new IMC branches. As of February 13, 2016, the Company had 5,193 stores in 50 states in the U.S., the District of Columbia and Puerto Rico, 451 stores in Mexico, 24 IMC branches, and eight stores in Brazil for a total count of 5,676.

AutoZone is the leading retailer and a leading distributor of automotive replacement parts and accessories in the United States. Each AutoZone 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. IMC branches carry an extensive line of original equipment quality import replacement parts. AutoZone also sells the ALLDATA brand diagnostic and repair software through www.alldata.com. Additionally, we sell automotive hard parts, maintenance items, accessories, and non-automotive products through www.autozone.com, and accessories and performance parts through www.autoanything.com, and our commercial customers can make purchases through www.autozonepro.com and www.imcparts.net. AutoZone does not derive revenue from automotive repair or installation.

AutoZone will host a conference call this morning, Tuesday, March 1, 2016, beginning at 10:00 a.m. (EST) to discuss its second 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 Tuesday, March 8, 2016, at 11:59 p.m. (EST).

This release includes certain financial information not derived in accordance with generally accepted accounting principles ("GAAP"). These non-GAAP measures include adjustments to reflect return on invested capital, adjusted debt, adjusted debt to EBITDAR, and cash flow before share repurchases. 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 capital structure in order to maintain its investment grade credit ratings 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: credit market conditions; the impact of recessionary conditions; competition; product demand; 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; construction delays; access to available and feasible financing; the compromising of the confidentiality, availability or integrity of information, including cyber security attacks; and changes in laws or regulations. Certain of these risks are discussed in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of this Annual Report on Form 10-K for the year ended August 29, 2015, and these Risk Factors should be read carefully. 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 events described above and in the “Risk Factors” 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.

AutoZone's 2nd Quarter Highlights - Fiscal 2016

Condensed Consolidated Statements of Operations

2nd Quarter, FY2016

(in thousands, except per share data)

	GAAP Results	
	12 Weeks Ended February 13, 2016	12 Weeks Ended February 14, 2015
Net sales	\$ 2,257,192	\$ 2,143,651
Cost of sales	1,066,596	1,023,618
Gross profit	1,190,596	1,120,033
Operating, SG&A expenses	807,936	758,764
Operating profit (EBIT)	382,660	361,269
Interest expense, net	32,832	34,536
Income before taxes	349,828	326,733
Income taxes	121,215	115,010
Net income	\$ 228,613	\$ 211,723
Net income per share:		
Basic	\$ 7.58	\$ 6.64
Diluted	\$ 7.43	\$ 6.51
Weighted average shares outstanding:		
Basic	30,170	31,903
Diluted	30,778	32,540

Year-To-Date 2nd Quarter, FY2016

(in thousands, except per share data)

	GAAP Results	
	24 Weeks Ended February 13, 2016	24 Weeks Ended February 14, 2015
Net sales	\$ 4,643,235	\$ 4,403,916
Cost of sales	2,199,705	2,107,222
Gross profit	2,443,530	2,296,694
Operating, SG&A expenses	1,622,875	1,526,863
Operating profit (EBIT)	820,655	769,831
Interest expense, net	67,842	71,596
Income before taxes	752,813	698,235
Income taxes	266,088	248,202
Net income	\$ 486,725	\$ 450,033
Net income per share:		
Basic	\$ 16.05	\$ 14.06
Diluted	\$ 15.72	\$ 13.78
Weighted average shares outstanding:		

Basic	30,334	32,018
Diluted	30,958	32,651

Selected Balance Sheet Information

(in thousands)

	February 13, 2016	February 14, 2015	August 29, 2015
Cash and cash equivalents	\$ 207,958	\$ 151,539	\$ 175,309
Merchandise inventories	3,590,687	3,456,812	3,421,635
Current assets	4,209,813	3,913,863	3,970,294
Property and equipment, net	3,544,882	3,376,480	3,505,632
Total assets ⁽¹⁾	8,366,414	7,931,430	8,102,349
Accounts payable	3,912,107	3,716,519	3,864,168
Current liabilities ⁽²⁾	4,994,661	4,623,323	4,712,873
Total debt ^{(1) (2)}	4,845,215	4,429,765	4,624,876
Stockholders' deficit	(1,741,313)	(1,468,679)	(1,701,390)
Working capital	(784,848)	(709,460)	(742,579)

(1) Certain balance sheet reclassifications have been made to the prior periods' financial information in order to conform to the current period's presentation due to the adoption of a new accounting standard at the end of FY15.

(2) Current liabilities and total debt both include short-term borrowings of \$457,404 at February 13, 2016; \$87,156 at February 14, 2015 and \$0 at August 29, 2015. These amounts represent current debt maturities that are in excess of our revolving credit facility available capacity.

Condensed Consolidated Statements of Operations

Adjusted Debt / EBITDAR (Trailing 4 Qtrs)

(in thousands, except adjusted debt to EBITDAR ratio)

	February 13, 2016	February 14, 2015
Net income	\$ 1,196,933	\$ 1,108,860
Add: Interest	146,685	157,184
Taxes	660,257	612,940
EBIT	2,003,875	1,878,984
Add: Depreciation and amortization	283,943	258,025
Rent expense	273,804	262,859
Share-based expense	39,342	38,874
EBITDAR	\$ 2,600,964	\$ 2,438,742
Debt ⁽¹⁾	\$ 4,845,215	\$ 4,429,765
Capital lease obligations	127,468	125,795
Add: rent x 6	1,642,824	1,577,154
Adjusted debt	\$ 6,615,507	\$ 6,132,714

Adjusted debt to EBITDAR 2.5 2.5

Selected Cash Flow Information

(in thousands)

	12 Weeks Ended February 13, 2016	12 Weeks Ended February 14, 2015	24 Weeks Ended February 13, 2016	24 Weeks Ended February 14, 2015
Depreciation and amortization	\$ 68,653	\$ 59,867	\$ 134,936	\$ 120,912
Capital spending	\$ 99,933	\$ 93,759	\$ 186,591	\$ 186,174

Cash flow before share repurchases:

Increase in cash and cash equivalents	\$ 42,472	\$ 34,347	\$ 32,649	\$ 27,054
Subtract increase in debt, excluding deferred financing	90,200	26,200	218,500	104,500
Add back share repurchases	149,957	26,061	550,057	325,667
Cash flow before share repurchases and changes in debt	<u>\$ 102,229</u>	<u>\$ 34,208</u>	<u>\$ 364,206</u>	<u>\$ 248,221</u>

Other Selected Financial Information

(in thousands, except ROIC)

	<u>February 13, 2016</u>	<u>February 14, 2015</u>
Cumulative share repurchases (\$ since fiscal 1998)	\$ 15,852,243	\$ 14,356,437
Remaining share repurchase authorization (\$)	\$ 547,757	\$ 543,563
Cumulative share repurchases (shares since fiscal 1998)	139,625	137,495
Shares outstanding, end of quarter	30,101	31,902
	Trailing 4 Quarters	
	<u>February 13, 2016</u>	<u>February 14, 2015</u>
Net income	\$ 1,196,933	\$ 1,108,860
Adjustments:		
Interest expense	146,685	157,184
Rent expense	273,804	262,859
Tax effect*	(149,694)	(149,535)
After-tax return	1,467,728	1,379,368
Average debt**(1)	4,632,858	4,362,118
Average stockholders' deficit**	(1,666,550)	(1,654,368)
Add: Rent x 6	1,642,824	1,577,154
Average capital lease obligations**	127,339	116,747
Pre-tax invested capital	<u>\$ 4,736,471</u>	<u>\$ 4,401,651</u>
Return on Invested Capital (ROIC)	31.0%	31.3%

(1) Certain balance sheet reclassifications have been made to the prior periods' financial information in order to conform to the current period's presentation due to the adoption of a new accounting standard at the end of FY15.

*Effective tax rate over trailing four quarters ended February 13, 2016 is 35.6% and February 14, 2015 is 35.6%.

**All averages are computed based on trailing 5 quarter balances.

AutoZone's 2nd Quarter Fiscal 2016**Selected Operating Highlights****Condensed Consolidated Statements of Operations****Location Count & Square Footage**

	<u>12 Weeks Ended February 13, 2016</u>	<u>12 Weeks Ended February 14, 2015</u>	<u>24 Weeks Ended February 13, 2016</u>	<u>24 Weeks Ended February 14, 2015</u>
AutoZone Domestic stores (Domestic):				
Store count:				

Beginning domestic stores	5,163	5,006	5,141	4,984
Stores opened	30	37	52	59
Stores closed	-	1	-	1
Ending domestic stores	5,193	5,042	5,193	5,042
Relocated stores	2	1	3	2
Stores with commercial programs	4,228	3,935	4,228	3,935
Square footage (in thousands)	33,874	32,841	33,874	32,841
AutoZone Mexico stores:				
Stores opened	9	5	10	9
Total stores in Mexico	451	411	451	411
AutoZone Brazil stores:				
Stores opened	-	-	1	-
Total stores in Brazil	8	5	8	5
Total AutoZone stores				
Square footage (in thousands)	5,652	5,458	5,652	5,458
Square footage per store	37,255	35,891	37,255	35,891
	6,591	6,576	6,591	6,576
IMC branches:				
Branches opened	2	1	4	1
Branches acquired	-	-	-	17
Total IMC branches	24	18	24	18
Total locations chainwide	5,676	5,476	5,676	5,476

Sales Statistics

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

	12 Weeks Ended February 13, 2016	12 Weeks Ended February 14, 2015	Trailing 4 Quarters February 13, 2016	Trailing 4 Quarters February 14, 2015
Total AutoZone stores (Domestic, Mexico and Brazil)				
Sales per average store	\$ 379	\$ 372	\$ 1,780	\$ 1,753
Sales per average square foot	\$ 58	\$ 57	\$ 270	\$ 267
Total Auto Parts (Domestic, Mexico, Brazil, and IMC)				
Total auto parts sales	\$ 2,170,986	\$ 2,059,711	\$ 10,058,938	\$ 9,440,251
% Increase vs. LY	5.4%	7.6%	6.6%	4.3%
Domestic Commercial (Excludes IMC)				
Total domestic commercial sales	\$ 402,014	\$ 372,247	\$ 1,891,127	\$ 1,706,096
% Increase vs. LY	8.0%	14.5%	10.8%	11.0%
All Other (ALLDATA, E-Commerce, and AutoAnything)				
All other sales	\$ 86,206	\$ 83,940	\$ 367,721	\$ 354,906
% Increase vs. LY	2.7%	9.2%	3.6%	4.9%
	12 Weeks Ended February 13, 2016	12 Weeks Ended February 14, 2015	24 Weeks Ended February 13, 2016	24 Weeks Ended February 14, 2015
Domestic same store sales	3.6%	3.6%	3.6%	4.1%

Inventory Statistics (Total Locations)

	as of February 13, 2016	as of February 14, 2015
Accounts payable/inventory	109.0%	107.5%

(\$ in thousands)

Inventory	\$ 3,590,687	\$ 3,456,812
Inventory per location	\$ 633	\$ 631
Net inventory (net of payables)	\$ (321,420)	\$ (259,707)
Net inventory / per location	\$ (57)	\$ (47)

Trailing 5 Quarters

	February 13, 2016	February 14, 2015
Inventory turns	1.4 x	1.5 x

Contact Information:

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