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O REILLY AUTOMOTIVE INC  
Form 8-K  
April 28, 2005

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): April 26, 2005

O'REILLY AUTOMOTIVE, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Missouri

44-0618012

-----  
(State or Other Jurisdiction  
of Incorporation)

(IRS Employer Identification No.)

233 S. Patterson  
Springfield, Missouri 65802

-----  
(Address of Principal Executive Offices) (Zip Code)

417-862-6708

-----  
(Registrant's Telephone Number, Including Area Code)

(Not Applicable)

-----  
(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 (see General Instruction A.2):

- 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))

Section 2 - Financial Information  
Item 2.02 Results of Operations and Financial Condition.

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On April 26, 2005, O'Reilly Automotive, Inc. issued a press release announcing first quarter earnings. The text of the press release is attached hereto as Exhibit 99.1.

Section 7 - Regulation FD  
ITEM 7.01. REGULATION FD DISCLOSURE

On April 26, 2005, O'Reilly Automotive, Inc. issued a press release announcing first quarter earnings. The text of the press release is attached hereto as Exhibit 99.1.

Section 9 - Financial Statements and Exhibits  
Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
99.1	Press Release dated April 26, 2005

The information in this Current Report on Form 8-K, including the exhibit hereto, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

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.

Date: April 28, 2005

O'REILLY AUTOMOTIVE, INC.

By: /s/ James R. Batten

James R. Batten  
Executive Vice President of Finance  
Chief Financial Officer and Treasurer  
(principal financial officer)

FOR IMMEDIATE RELEASE

For further information contact:

Greg Henslee  
Jim Batten  
(417) 862-3333

O'REILLY AUTOMOTIVE, INC. REPORTS RECORD  
2005 FIRST QUARTER RESULTS  
7.1% INCREASE IN COMPARABLE STORE PRODUCT SALES  
20.4% INCREASE IN EARNINGS PER SHARE

Springfield, MO, April 26, 2005 -- O'Reilly Automotive, Inc. ("O'Reilly" or "the

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Company") (Nasdaq: ORLY) today announced record revenues and earnings for the first quarter of 2005, representing 46 quarters of record revenues and earnings for O'Reilly since becoming a public company in April 1993.

Net income, before cumulative effect of accounting change, for the first quarter ended March 31, 2005, totaled \$33.2 million, up 21.7% from \$27.3 million for the same period in 2004. Diluted earnings per common share, before cumulative effect of accounting change, for the first quarter of 2005 increased 20.4% to \$0.59 on 56.3 million shares compared to \$0.49 for the first quarter of 2004 on 55.4 million shares. Product sales for the three months ended March 31, 2005, totaled \$466.2 million, up 15.6% from \$403.3 million for the same period a year ago. Gross profit for the first quarter of 2005 increased to \$196.2 million (or 42.1% of product sales) from \$169.6 million (or 42.1% of product sales) for the first quarter of 2004, representing an increase of 15.7%. Operating, Selling, General and Administrative ("OSG&A") expenses increased to \$142.6 million (or 30.6% of product sales) for the first quarter of 2005 from \$125.6 million (or 31.1% of product sales) for the first quarter of 2004, representing an increase of 13.6%.

Comparable store product sales for stores open at least one year increased 7.1% and 12.4% for the first quarter of 2005 and 2004, respectively.

"We are very pleased with our 7.1% comparable store product sales increase, especially considering the difficult comparison of the 12.4% comparable store sales increase in the first quarter of 2004," stated Greg Henslee, CEO and Co-President. "We're equally pleased with our team's focus on expense management during the quarter as we completed the opening of our eleventh distribution center in Atlanta, Georgia."

"New store openings are well underway with 37 net new stores opened during the first quarter of 2005," said Ted Wise, COO and Co-President.

The Company will host a conference call Wednesday, April 27, 2005, at 10:00 a.m. central time to discuss its results, as well as future expectations. The call will be available by web cast at [www.oreillyauto.com](http://www.oreillyauto.com), [www.vcall.com](http://www.vcall.com) or [www.streetevents.com](http://www.streetevents.com). Investors may listen to the conference call live on the Company's web site, [www.oreillyauto.com](http://www.oreillyauto.com), by clicking "News". A replay will also be available on the web site shortly after the call, on the Company's website.

O'Reilly Automotive, Inc. is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment and accessories in the United States, serving both the do-it-yourself and professional installer markets. Founded in 1957 by the O'Reilly family, the Company operated 1,286 stores within the states of Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia as of March 31, 2005.

The Company claims the protection of the safe-harbor for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by forward-looking words such as "expect," "believe," "anticipate," "good," "plan," "intend," "estimate," "project," "will" or similar words. In addition, statements contained within this press release that are not historical facts are forward-looking statements, such as statements discussing among other things, expected growth, store development and expansion strategy, business strategies, future revenues and future performance. These forward-looking statements are based on estimates, projections, beliefs and assumptions and are not guarantees of future events and results. Such statements are subject to risks, uncertainties and assumptions, including, but not limited to, competition, product demand, the market for auto parts, the economy in general, inflation, consumer debt levels, governmental

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approvals, our ability to hire and retain qualified employees, risks associated with the integration of acquired businesses, weather, terrorist activities, war and the threat of war. Actual results may materially differ from anticipated results described or implied in these forward-looking statements. Please refer to the Risk Factors sections of the Company's Form 10-K for the year ended December 31, 2004, for more details.

### O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2005	December 31, 2004
	-----	-----
	(Unaudited)	(Note)
	(In thousands)	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 89,270	\$ 69,028
Accounts receivable, net	63,180	60,928
Amounts receivable from vendors, net	42,631	52,976
Inventory	649,297	625,320
Other current assets	5,763	5,225
	-----	-----
<b>Total current assets</b>	<b>850,141</b>	<b>813,477</b>
Property and equipment, at cost	835,860	791,794
Accumulated depreciation and amortization	235,962	224,301
	-----	-----
<b>Net property and equipment</b>	<b>599,898</b>	<b>567,493</b>
Notes receivable, less current portion	27,375	21,690
Other assets, net	27,653	29,697
	-----	-----
<b>Total assets</b>	<b>\$ 1,505,067</b>	<b>\$ 1,432,357</b>
	=====	=====
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities:</b>		
Income taxes payable	\$ 16,099	\$ 9,736
Accounts payable	258,470	240,548
Accrued payroll	15,779	15,130
Accrued benefits and withholdings	40,159	35,794
Deferred income taxes	11,370	7,198
Other current liabilities	23,061	24,817
Current portion of long-term debt	591	592
	-----	-----
<b>Total current liabilities</b>	<b>365,529</b>	<b>333,815</b>
Long-term debt, less current portion	100,173	100,322
Deferred income taxes	38,165	38,440
Other liabilities	12,184	11,963
<b>Shareholders' equity:</b>		
Common stock, \$0.01 par value:		
Authorized shares - 90,000,000		
Issued and outstanding shares		
- 55,602,945 at March 31, 2005,	556	554
and 55,377,130 at December 31, 2004		
Additional paid-in capital	334,634	326,650

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Retained earnings	653,826	620,613
	-----	-----
Total shareholders' equity	989,016	947,817
	-----	-----
Total liabilities and shareholders' equity	\$ 1,505,067	\$ 1,432,357
	=====	=====

Note: The balance sheet at December 31, 2004, has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by United States generally accepted accounting principles for complete financial statements.

O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

	Three Months Ended March 31,	
	2005	2004
	-----	-----
	(In thousands, except per share data)	
Product sales	\$ 466,239	\$ 403,294
Cost of goods sold, including warehouse and distribution expenses	270,070	233,701
	-----	-----
Gross profit	196,169	169,593
Operating, selling, general and administrative expenses	142,588	125,566
	-----	-----
Operating income	53,581	44,027
Other expense, net	(668)	(446)
	-----	-----
Income before income taxes and cumulative effect of accounting change	52,913	43,581
Provision for income taxes	19,700	16,296
	-----	-----
Income before cumulative effect of accounting change	33,213	27,285
Cumulative effect of accounting change, net of tax, \$13,303	-	21,892
	-----	-----
Net income	\$ 33,213	\$ 49,177
	=====	=====
Net income per common share:		
Income before cumulative effect of accounting change	\$ 0.60	\$ 0.50
Cumulative effect of accounting change, net of tax	-	0.40
	-----	-----
Net income	\$ 0.60	\$ 0.90
	=====	=====
Net income per common share - assuming dilution:		

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Income before cumulative effect of accounting change	\$ 0.59	\$ 0.49
Cumulative effect of accounting change, net of tax	-	0.39
Net income	\$ 0.59	\$ 0.88
Weighted-average common shares outstanding - basic	55,448	54,694
Adjusted weighted-average common shares outstanding - assuming dilution	56,255	55,381

O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES  
SELECTED FINANCIAL INFORMATION  
(Unaudited)

	March 31,	
	2005	2004
Inventory turnover (1)	1.7	1.7
Inventory turnover, net of payables (2)	2.6	2.4
AP to inventory (3)	39.8%	32.9%
Debt-to-capital (4)	9.3%	10.8%
Return on equity (5)	13.5%	14.3%
Return on assets (6)	8.9%	9.4%
Square footage (in thousands)	8,561	7,510
Store count:		
New stores, net (three months ended)	37	23
Total stores	1,286	1,132
Total employment	18,238	16,540

	Three Months Ended March 31,	
	2005	2004
Other information (in thousands):		
Capital expenditures	\$ 45,570	\$ 40,078
Depreciation & amortization	\$ 13,245	\$ 10,894
Interest expense	\$ 1,100	\$ 895
Lease & rental expense	\$ 10,156	\$ 8,833
Sales per weighted-average square foot (7)	\$ 54.41	\$ 53.44
Sales per weighted-average store (in thousands) (8)	\$ 363	\$ 354

