



O'Reilly Automotive, Inc. commenced operations in November 1957. The company's initial public offering was made on April 23, 1993, consisting of 4,666,666 common shares at a price of \$2.19. The offering was underwritten by Donaldson, Lufkin & Jenrette and George Baum. A second public offering was made in March of 1999. The two aforementioned underwriters, in addition to William Blair, offered 13,360,000 shares at \$9.37. All figures are adjusted for three 2-for-1 stock splits, which occurred in September, 1997 and November, 1999.

**CAPITAL STRUCTURE as of 9/30/11**  
**Total Debt \$797.8 mill. Due in 5 Yrs \$358.7 mill.**  
**LT Debt \$797.0 mill. LT Interest \$36.0 mill.**  
 (22% of Cap'l)

**Leases, Uncapitalized None**  
**No Defined Benefit Pension Plan**

**Pfd Stock None**  
**Common Stock 128,328,282 shs. as of 10/31/11**  
**MARKET CAP: \$10.5 billion (Large Cap)**

<b>CURRENT POSITION (\$MILL.)</b>	2009	2010	9/30/11
Cash Assets	26.9	29.7	276.7
Receivables	107.9	121.8	136.5
Inventory (LIFO)	1913.2	2023.5	2009.4
Other	178.7	126.3	113.9
<b>Current Assets</b>	<b>2226.7</b>	<b>2301.3</b>	<b>2536.5</b>
Accts Payable	818.2	895.7	1190.8
Debt Due	106.7	1.4	.8
Other	306.5	331.9	314.4
<b>Current Liab.</b>	<b>1231.4</b>	<b>1229.0</b>	<b>1506.0</b>

<b>ANNUAL RATES Past 10 Yrs.</b>	<b>Past 5 Yrs.</b>	<b>Est'd '08-'10</b>
of change (per sh)		
Sales	16.5%	15.0%
"Cash Flow"	18.0%	15.0%
Earnings	17.5%	15.5%
Dividends	--	Nil
Book Value	19.0%	18.0%

<b>Cal-endar</b>	<b>QUARTERLY SALES (\$ mill.)</b>				<b>Full Year</b>
	<b>Mar.31</b>	<b>Jun.30</b>	<b>Sep.30</b>	<b>Dec.31</b>	
2008	646.2	704.4	1111.3	1114.7	3576.6
2009	1163.7	1251.4	1258.2	1173.8	4847.1
2010	1280.1	1381.2	1425.9	1310.3	5397.5
2011	1382.7	1479.3	1535.5	1412.5	5810
2012	1470	1610	1630	1530	6240

<b>Cal-endar</b>	<b>EARNINGS PER SHARE A</b>				<b>Full Year</b>
	<b>Mar.31</b>	<b>Jun.30</b>	<b>Sep.30</b>	<b>Dec.31</b>	
2008	.40	.48	.39	.37	1.64
2009	.46	.62	.63	.52	2.23
2010	.70	.81	.86	.69	3.06
2011	.83	.96	1.10	.86	3.75
2012	.95	1.05	1.20	1.00	4.20

<b>Cal-endar</b>	<b>QUARTERLY DIVIDENDS PAID</b>				<b>Full Year</b>
	<b>Mar.31</b>	<b>Jun.30</b>	<b>Sep.30</b>	<b>Dec.31</b>	
2008					
2009					
2010	NO CASH DIVIDENDS BEING PAID				
2011					
2012					

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
	10.33	12.30	13.83	15.54	18.20	20.04	21.88	26.53	35.26	38.27	44.35	46.90	Sales per sh	56.65
	.92	1.11	1.30	1.55	1.93	2.13	2.37	2.32	3.28	4.21	4.95	5.35	"Cash Flow" per sh	6.65
	.63	.77	.92	1.06	1.41	1.55	1.67	1.64	2.23	3.06	3.75	4.20	Earnings per sh A	5.35
	--	--	--	--	--	--	--	--	--	--	--	--	Div'ds Decl'd per sh	Nil
	5.26	6.09	7.17	8.56	10.19	11.97	13.82	16.93	19.54	22.76	22.50	26.45	Book Value per sh	41.10
	105.70	106.74	109.33	110.75	112.39	113.93	115.26	134.83	137.47	141.03	131.00	133.00	Common Shs Outst'g B	135.00
	21.4	19.4	18.2	19.6	19.6	21.0	20.4	16.4	16.2	18.7	17.1	17.1	Avg Ann'l P/E Ratio	21.0
	1.10	1.06	1.04	1.04	1.04	1.13	1.08	.99	1.07	1.18	1.08	1.08	Relative P/E Ratio	1.35
	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil
	1092.1	1312.5	1511.8	1721.2	2045.3	2283.2	3576.6	4847.1	5397.6	5810	6240	6240	Sales (\$mill)	7650
	45.6%	45.0%	45.0%	46.3%	46.4%	46.9%	47.6%	48.9%	51.0%	51.0%	51.5%	51.5%	Gross Margin	52.5%
	13.2%	13.3%	13.7%	14.2%	14.9%	15.2%	15.2%	12.7%	14.0%	16.9%	17.5%	17.5%	Operating Margin	18.0%
	875	981	1109	1249	1470	1640	1830	3285	3421	3570	3735	3880	Number of Stores	4330
	66.3	82.0	100.1	117.7	159.7	178.1	194.0	205.5	307.5	434.5	510	560	Net Profit (\$mill)	725
	37.9%	37.4%	37.4%	37.3%	35.2%	36.9%	36.9%	36.8%	38.1%	39.2%	38.0%	38.0%	Income Tax Rate	37.5%
	6.1%	6.2%	6.6%	6.8%	7.8%	7.8%	7.7%	5.7%	6.3%	8.0%	8.8%	9.0%	Net Profit Margin	9.5%
	429.6	483.6	441.6	479.7	425.0	566.9	573.3	821.9	995.3	1072.3	1000	1050	Working Cap'l (\$mill)	1600
	165.6	190.5	121.0	100.3	25.5	110.2	75.1	724.6	684.0	357.3	380	400	Long-Term Debt (\$mill)	500
	556.3	650.5	784.3	947.8	1145.8	1364.1	1592.5	2282.2	2685.9	3209.7	2950	3515	Shr. Equity (\$mill)	5550
	9.8%	10.3%	11.4%	11.4%	13.8%	12.2%	11.7%	7.3%	9.5%	12.7%	16.0%	14.5%	Return on Total Cap'l	12.5%
	11.9%	12.6%	12.8%	12.4%	13.9%	13.1%	12.2%	9.0%	11.4%	13.5%	17.5%	16.0%	Return on Shr. Equity	13.0%
	11.9%	12.6%	12.8%	12.4%	13.9%	13.1%	12.2%	9.0%	11.4%	13.5%	17.5%	16.0%	Retained to Com Eq	13.0%
	--	--	--	--	--	--	--	--	--	--	--	Nil	All Div'ds to Net Prof	Nil

**BUSINESS:** O'Reilly Automotive, Inc. supplies automotive aftermarket parts, tools, equipment, and accessories to both "do-it-yourself" customers and professional mechanics or service technicians. Operates stores in Texas, Missouri, Oklahoma, Kansas, Iowa, Arkansas, Louisiana, Nebraska, and Illinois. Acquired Hi-Lo Automotive, 1/98; CSK, 7/08. Has 3,570 stores (12/10), about 47,142 employees. Officers/directors own 4.5% of common stock; T. Rowe Price and Associates, 12.7% (3/11 Proxy). Co-Chairman and Chief Executive Officer: David E. O'Reilly; Co-Chairman: Larry P. O'Reilly, Incorporated: Missouri. Address: 233 South Patterson, Springfield, Missouri 65802 Telephone: 417-862-6708. Internet: www.oreillyauto.com.

**O'Reilly Automotive continues to perform well within the retail auto parts sector.** The company had a strong third quarter, and this momentum likely carried into the holiday season. We think that comparable-store sales were in the range of 2% to 4% for the December period. For the full year, we estimate that O'Reilly registered a top line of more than \$5.8 billion, and share earnings of \$3.75, representing an advance of 23% year over year.

**Demand from do-it-yourself customers should stay relatively healthy in 2012.** Industry-specific factors, such as miles driven and the age of vehicles on the road, ought to move higher in the near term, as new vehicle sales taper off following strong demand trends over the past year. We also expect macroeconomic fundamentals to aid O'Reilly Automotive to a degree. Indeed, higher consumer budgets should lead to more repair work that had previously been delayed. In contrast, higher gas prices of late may tame some of the pent up demand for repair work. For the full year, we target revenues of more than \$6.2 billion.

**The recent integration of CSK should bolster margins.** The gross margin for O'Reilly advanced to over 50% during the third quarter, and we think operating efficiencies, related to cost savings from former CSK stores, should widen the margin further in the near term. For the full year, we target earnings of \$4.20 a share. **O'Reilly will continue to expand its flagship brand.** Despite more than doubling its store base a few years ago, the company will continue to increase its geographic coverage domestically. We expect it to add roughly 150-200 units per annum over the next few years, including stores in some new markets. In the process, O'Reilly ought to increase its market share and compete with industry leaders Autozone and Advance Auto. The company's healthy balance sheet and strong free cash ought to support expansion capital expenditures. **O'Reilly shares are ranked to mirror the year-ahead broad market.** Appreciation potential to the 2014-2016 time frame is currently below the Value Line median.

*Garrett Sussman* February 3, 2012

(A) Next earnings report due late April. Earnings may not sum due to rounding. Excludes nonrecurring charge of \$0.14 a share in 2010; \$0.11 in 2011.

(B) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	100
Earnings Predictability	90

To subscribe call 1-800-833-0046.