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**O'REILLY AUTOMOTIVE REPORTS FOURTH QUARTER AND ANNUAL EARNINGS  
11<sup>TH</sup> CONSECUTIVE YEAR OF RECORD REVENUES AND EARNINGS  
7.8% INCREASE IN COMPARABLE STORE PRODUCT SALES**

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**Springfield, MO, February 25, 2004** -- O'Reilly Automotive, Inc. ("O'Reilly" or "the Company") (Nasdaq: ORLY) today announced record revenues and earnings for the fourth quarter and year ended December 31, 2003, representing 11 consecutive years of record revenues and earnings and positive comparable store product sales increases for O'Reilly since becoming a public company in April 1993.

Net income for the year ended December 31, 2003, totaled \$100.1 million, up 22.1% from \$82.0 million for the same period a year ago. Diluted earnings per common share for the year ended December 31, 2003, increased 20.3% to \$1.84 on 54.5 million shares versus \$1.53 a year ago on 53.7 million shares. Product sales for the year ended December 31, 2003, totaled \$1.51 billion, up 15.2% from \$1.31 billion for the year ending December 31, 2002. Gross profit for the year ended December 31, 2003, increased to \$638.3 million (or 42.2% of product sales) from \$553.4 million (or 42.2% of product sales) for the year ended December 31, 2002, representing an increase of 15.4%. Operating, selling, general and administrative ("OSG&A") expenses for the year ended December 31, 2003, increased to \$473.1 million (or 31.3% of product sales) from \$415.1 million (or 31.6% of product sales) for the year ended December 31, 2002, representing an increase of 14.0%.

Net income for the fourth quarter ended December 31, 2003, totaled \$23.9 million, up 27.8% from \$18.7 million for the same period in 2002. Diluted earnings per common share for the fourth quarter of 2003 increased 22.9% to \$0.43 on 55.3 million shares compared to \$0.35 for the fourth quarter of 2002 on 53.7 million shares. Product sales for the fourth quarter ended December 31, 2003, totaled \$367.0 million, up 16.8% from \$314.2 million for the same period a year ago. Gross profit for the fourth quarter ended December 31, 2003, increased to \$156.0 million (or 42.5% of product sales) from \$131.0 million (or 41.7% of product sales) for the same period a year ago, representing an increase of 19.1%. OSG&A expenses for the fourth quarter of 2003, increased to \$117.2 million (or 31.9% of product sales) from \$99.8 million (or 31.8% of product sales) for the same period a year ago, representing an increase of 17.4%.

Comparable store product sales for stores open at least one year increased 9.8% and 7.8% for the fourth quarter and year ending December 31, 2003, respectively, representing 43 quarters of comparable store product sales increases since becoming a public company in April 1993.

David O'Reilly, co-chairman and chief executive officer, stated, "We are proud to report another strong year for Team O'Reilly. Our sales increased 15% over last year and our net income increased 22%, reflecting our expansion into many less populated but very profitable markets and our continuing efforts to control expenses. Our net cash provided by operating activities allowed us to pay down debt by approximately \$70.0 million for 2003, a decrease of 36%. Our customers continue to reward our good customer service, resulting in an industry leading comparable store product sales increase of 7.8%."

“We opened 35, net new stores in the fourth quarter for a total of 128, net new stores in 2003, bringing our total store count to 1,109” said Ted Wise, co-president. “Our 2004 plans call for opening approximately 140 new stores.”

The Company will host a conference call Thursday, February 26, 2004, 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 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.

**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 1,109 stores within the states of Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, Tennessee, Texas and Virginia as of December 31, 2003.

The Company claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements discuss, 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 approvals and regulations, 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 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, 2002, for more details.

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

	December 31, 2003	December 31, 2002
	(Unaudited)	(Note)
	(In thousands, except share data)	
<b>Assets</b>		
Current assets:		
Cash	\$ 21,094	\$ 29,333
Accounts receivable, net	52,235	45,421
Amounts receivable from vendors	43,608	42,918
Inventory	554,309	504,098
Deferred income taxes	4,753	5,040
Other current assets	4,399	4,235
Total current assets	680,398	631,045
Property and equipment, at cost	626,142	491,523
Accumulated depreciation and amortization	177,084	137,922
Net property and equipment	449,058	353,601
Notes receivable	1,743	1,880
Long-term receivable	37,654	3,761
Other assets	18,739	19,132
Total assets	\$ 1,187,592	\$ 1,009,419
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Income taxes payable	\$ 6,872	\$ 9,798
Accounts payable	176,513	85,370
Accrued payroll	17,307	15,257
Accrued benefits and withholdings	27,368	19,165
Other current liabilities	16,883	17,150
Current portion of long-term debt	925	682
Total current liabilities	245,868	147,422
Long-term debt, less current portion	120,977	190,470
Deferred income taxes	29,448	15,939
Other liabilities	7,014	5,064
Commitments and contingencies	--	--
Shareholders' equity:		
Common stock, \$0.01 par value:		
Authorized shares – 90,000,000		
Issued and outstanding shares – 54,664,976 at December 31, 2003, and 53,371,242 at December 31, 2002		
	547	534
Additional paid-in capital	302,691	269,030
Retained earnings	481,047	380,960
Total shareholders' equity	784,285	650,524
Total liabilities and shareholders' equity	\$ 1,187,592	\$ 1,009,419

Note: The condensed consolidated balance sheet at December 31, 2002, has been derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete consolidated financial statements.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
	(In thousands, except per share data)			
Product sales	\$ 367,047	\$ 314,241	\$1,511,816	\$1,312,490
Cost of goods sold, including warehouse and distribution expenses	<u>211,024</u>	<u>183,251</u>	<u>873,481</u>	<u>759,090</u>
Gross profit	156,023	130,990	638,335	553,400
Operating, selling, general and administrative expenses	<u>117,177</u>	<u>99,819</u>	<u>473,060</u>	<u>415,099</u>
Operating income	38,846	31,171	165,275	138,301
Other expense, net	<u>(639)</u>	<u>(1,949)</u>	<u>(5,233)</u>	<u>(7,319)</u>
Income before income taxes	38,207	29,222	160,042	130,982
Provision for income taxes	<u>14,305</u>	<u>10,515</u>	<u>59,955</u>	<u>48,990</u>
Net income	<u>\$ 23,902</u>	<u>\$ 18,707</u>	<u>\$ 100,087</u>	<u>\$ 81,992</u>
Net income per common share	<u>\$ 0.44</u>	<u>\$ 0.35</u>	<u>\$ 1.86</u>	<u>\$ 1.54</u>
Net income per common share - assuming dilution	<u>\$ 0.43</u>	<u>\$ 0.35</u>	<u>\$ 1.84</u>	<u>\$ 1.53</u>
Weighted average common shares outstanding	<u>54,492</u>	<u>53,322</u>	<u>53,908</u>	<u>53,114</u>
Adjusted weighted average common shares outstanding - assuming dilution	<u>55,266</u>	<u>53,740</u>	<u>54,530</u>	<u>53,692</u>

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

	December 31,	
	2003	2002
Inventory turnover (1)	1.7	1.6
Inventory turnover, net of payables (2)	2.2	1.9
AP to Inventory (3)	31.8%	16.9%
Debt-to-capital (4)	13.5%	22.7%
Return on equity (5)	14.0%	13.6%
Return on assets (6)	9.1%	8.8%
Square footage (in thousands)	7,348	6,408
Store count:		
New stores, net (twelve months ended)	128	106
Total stores	1,109	981
Total employment	15,484	14,273

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Other Information (in thousands):				
Capital Expenditures	\$ 36,450	\$ 29,647	\$ 136,497	\$ 102,257
Depreciation & Amortization	\$ 11,131	\$ 9,786	\$ 42,374	\$ 36,979
Interest Expense	\$ 956	\$ 2,296	\$ 6,864	\$ 9,248
Lease & Rental Expense	\$ 8,587	\$ 8,268	\$ 33,456	\$ 31,383
Sales per weighted-average square foot (7)	\$ 49.82	\$ 48.44	\$ 214.73	\$ 211.38
Sales per weighted-average store (in thousands) (8)	\$ 330	\$ 316	\$ 1,413	\$ 1,372

- (1) Calculated as cost of sales for the last 12 months divided by average inventory. Average inventory is calculated as the simple average of beginning and ending inventory for the same period used in determining the numerator.
- (2) Calculated as cost of sales divided by average inventory less accounts payable. Average inventory is calculated as the simple average of beginning and ending inventory for the same period used in determining the numerator.
- (3) Accounts payable divided by inventory.
- (4) The sum of long-term debt and current portion of long-term debt, divided by the sum of long-term debt, current portion of long-term debt and total shareholders' equity.
- (5) Last 12 months net income divided by average shareholders' equity. Average shareholders' equity is calculated by taking a simple average of the beginning and ending shareholders' equity for the same period used in determining the numerator.
- (6) Last 12 months net income divided by average total assets. Average total assets is calculated by taking a simple average of the beginning and ending total assets for the same period used in determining the numerator.
- (7) Total sales less jobber sales, divided by weighted-average square feet. Weighted-average sales per square foot is weighted to consider the approximate dates of store openings or expansions.
- (8) Total sales less jobber sales, divided by weighted-average stores. Weighted-average sales per store is weighted to consider the approximate dates of store openings or expansions.

**O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF FREE CASH FLOW TO OPERATING CASH FLOW**  
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
	(In thousands)			
Net cash provided by operating activities	\$ 722	\$ (591)	\$ 172,841	\$ 104,533
Capital expenditures	<u>36,450</u>	<u>29,647</u>	<u>136,497</u>	<u>102,257</u>
Free cash flow (1)(2)	<u>\$ (35,728)</u>	<u>\$ (30,238)</u>	<u>\$ 36,344</u>	<u>\$ 2,276</u>

- (1) Free cash flow is calculated as net cash provided by operating activities less capital expenditures.
- (2) The Company believes that presenting free cash flow provides investors a metric to evaluate the Company's ability to fund its planned growth.