



FOR IMMEDIATE RELEASE

For further information contact:

David O'Reilly
James R. Batten
(417) 862-3333

O'REILLY AUTOMOTIVE REPORTS COMPARABLE STORE SALES OF 6.9% AND RECORD SECOND QUARTER SALES AND EARNINGS

Springfield, MO, July 29, 2003 -- O'Reilly Automotive, Inc. ("O'Reilly" or "the Company") (Nasdaq: ORLY) today announced record revenues and earnings for the second quarter of 2003, representing 39 quarters of record revenues and earnings for O'Reilly since becoming a public company in April 1993.

Net income for the second quarter ended June 30, 2003, totaled \$26.9 million, up 19.4% from \$22.5 million for the same period in 2002. Diluted earnings per share for the second quarter of 2003 increased 19.1% to \$0.50 on 54.2 million shares compared to \$0.42 for the second quarter of 2002 on 53.7 million shares. Product sales for the three months ended June 30, 2003, totaled \$393.1 million, up 14.6% from \$343.2 million for the same period a year ago. Gross profit for the second quarter of 2003 increased to \$165.7 million (or 42.2% of product sales) from \$144.2 million (or 42.0% of product sales) for the second quarter of 2002, representing an increase of 14.9%.

Net income for the first six months of 2003 totaled \$46.7 million, up 19.0% from \$39.2 million for the same period a year ago. Diluted earnings per common share for the first six months of 2003 increased 17.8% to \$0.86 on 54.0 million shares versus \$0.73 a year ago on 53.7 million shares. Product sales for the first six months of 2003 totaled \$732.6 million, up 14.7% from \$638.7 million in the first six months of the previous year. Gross profit for the first six months of 2003 increased to \$306.7 million (or 41.9% of product sales) from \$270.2 million (or 42.3% of product sales) for the first six months of the prior year, representing an increase of 13.5%.

Comparable store product sales for stores open at least one year increased 6.9% and 6.6% for the second quarter and first six months of 2003, respectively.

"We continue to be very pleased with our performance this quarter, highlighted by comparable store sales of 6.9%, operating margin of 11.4% and a net margin of 6.9%," said David O'Reilly, co-chairman and chief executive officer. "We generated positive free cash flows of \$20.2 million and reduced debt resulting in a debt to total capital ratio of 16.1%."

The Company will host a conference call Wednesday, July 30, 2003, at 10:00 a.m. central time to discuss its results as well as future expectations. The call will be available by webcast at www.oreillyauto.com, www.vcall.com or www.streetevents.com. Investors may listen to the conference call live on the Company web site, www.oreillyauto.com, by clicking "Investor Information," then "Conference Calls." A replay will also be available on the web site shortly after the call.

O'Reilly Automotive 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 1,041 stores within the states of Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, Tennessee and Texas as of June 30, 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, 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

	<u>June 30,</u> 2003	<u>December 31,</u> 2002
	(Unaudited)	(Note)
	(In thousands)	
Assets		
Current assets:		
Cash	\$ 26,230	\$ 29,333
Accounts receivable, net	56,344	45,421
Amounts receivable from vendors	47,192	42,918
Inventory	528,006	504,098
Deferred income taxes	3,681	5,040
Other current assets	5,020	4,235
Total current assets	666,473	631,045
Property and equipment, at cost	557,916	491,523
Accumulated depreciation and amortization	157,108	137,922
Net property and equipment	400,808	353,601
Notes receivable	1,820	1,880
Other assets	24,701	22,893
Total assets	\$ 1,093,802	\$ 1,009,419
Liabilities and shareholders' equity		
Current liabilities:		
Income taxes payable	\$ 18,133	\$ 9,798
Accounts payable	142,750	85,370
Accrued payroll	16,061	15,257
Accrued benefits and withholdings	22,330	19,165
Other current liabilities	19,476	17,150
Current portion of long-term debt	475	682
Total current liabilities	219,225	147,422
Long-term debt, less current portion	135,317	190,470
Deferred income taxes	22,025	15,939
Other liabilities	7,103	5,064
Shareholders' equity:		
Common stock, \$0.01 par value:		
Authorized shares – 90,000,000		
Issued and outstanding shares – 53,933,788 at June 30, 2003,		
and 53,371,242 at December 31, 2002		
	539	534
Additional paid-in capital	281,981	269,030
Retained earnings	427,612	380,960
Total shareholders' equity	710,132	650,524
Total liabilities and shareholders' equity	\$ 1,093,802	\$ 1,009,419

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(In thousands, except per share data)			
Product sales	\$ 393,112	\$ 343,181	\$ 732,587	\$ 638,670
Cost of goods sold, including warehouse and distribution expenses	<u>227,399</u>	<u>198,995</u>	<u>425,928</u>	<u>368,456</u>
Gross profit	165,713	144,186	306,659	270,214
Operating, selling, general and administrative expenses	<u>120,987</u>	<u>106,417</u>	<u>228,592</u>	<u>203,807</u>
Operating income	44,726	37,769	78,067	66,407
Other expense, net	<u>(1,652)</u>	<u>(1,527)</u>	<u>(3,415)</u>	<u>(3,398)</u>
Income before income taxes	43,074	36,242	74,652	63,009
Provision for income taxes	<u>16,150</u>	<u>13,695</u>	<u>28,000</u>	<u>23,820</u>
Net income	<u>\$ 26,924</u>	<u>\$ 22,547</u>	<u>\$ 46,652</u>	<u>\$ 39,189</u>
Net income per common share	<u>\$ 0.50</u>	<u>\$ 0.42</u>	<u>\$ 0.87</u>	<u>\$ 0.74</u>
Net income per common share - assuming dilution	<u>\$ 0.50</u>	<u>\$ 0.42</u>	<u>\$ 0.86</u>	<u>\$ 0.73</u>
Weighted average common shares outstanding	<u>53,634</u>	<u>53,058</u>	<u>53,518</u>	<u>52,971</u>
Adjusted weighted average common shares outstanding - assuming dilution	<u>54,222</u>	<u>53,698</u>	<u>53,988</u>	<u>53,653</u>

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

	June 30,	
	2003	2002
Inventory turnover (1)	1.62	1.58
Inventory turnover, net of payables (2)	2.09	1.92
AP to Inventory (3)	27.0%	17.6%
Debt-to-capital (4)	16.1%	22.5%
Return on equity (5)	13.6%	13.6%
Return on assets (6)	8.8%	8.8%
Square footage (in thousands)	7,070	6,304
Store count:		
New stores, net	30	30
Total stores	1,041	929
Total employment	15,568	14,030
	Three Months Ended	
	June 30,	
	2003	2002
Miscellaneous (in thousands):		
Capital Expenditures	\$ 35,409	\$ 23,916
Depreciation & Amortization	\$ 10,211	\$ 8,946
Interest Expense	\$ 2,075	\$ 2,113
Lease & Rental Expense	\$ 7,943	\$ 6,783
Sales per weighted-average square foot (7)	\$ 55.24	\$ 54.19
Sales per weighted-average store (in thousands) (8)	\$ 375	\$ 366

- (1) Calculated as cost of sales for the last 12 months divided by average inventory. Average inventory is calculated as the 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 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 shareholder's 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 June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(In thousands)			
Net cash provided by operating activities	\$ 55,611	\$ 32,858	\$ 112,955	\$ 60,820
Capital expenditures	<u>35,409</u>	<u>23,916</u>	<u>67,599</u>	<u>45,344</u>
Free cash flow	<u>\$ 20,202</u>	<u>\$ 8,942</u>	<u>\$ 45,356</u>	<u>\$ 15,476</u>