



FOR IMMEDIATE RELEASE

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## O'REILLY AUTOMOTIVE EARNINGS GROW 25.4% FOR 2<sup>nd</sup> QUARTER

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**Springfield, MO, July 23, 2002** -- O'Reilly Automotive, Inc. ("O'Reilly" or "the Company") (Nasdaq: ORLY) today announced record revenues and earnings for the second quarter of 2002, representing 35 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, 2002, totaled \$22.5 million, up 25.4% from \$18.0 million for the same period in 2001. Diluted earnings per share for the second quarter of 2002 increased 23.5% to \$0.42 on 53.7 million shares compared to \$0.34 for the second quarter of 2001 on 52.4 million shares. Product sales for the three months ended June 30, 2002, totaled \$343.2 million, up 22.3% from \$280.7 million for the same period a year ago. Gross profit for the second quarter of 2002 increased to \$144.2 million (or 42.0% of product sales) from \$117.8 million (or 42.0% of product sales) for the second quarter of 2001, representing an increase of 22.4%.

Net income for the first six months of 2002 totaled \$39.2 million, up 29.3% from \$30.3 million for the same period a year ago. Diluted earnings per common share for the first six months of 2002 increased 25.9% to \$0.73 on 53.7 million shares versus \$0.58 a year ago on 52.2 million shares. Product sales for the first six months of 2002 totaled \$638.7 million, up 22.9% from \$519.7 million in the first six months of the previous year. Gross profit for the first six months of 2002 increased to \$270.2 million (or 42.3% of product sales) from \$220.2 million (of 42.4% of product sales) for the first six months of the prior year, representing an increase of 22.7%.

Comparable store product sales for stores open at least one year increased 2.9% and 3.2% for the second quarter and first six months of 2002, respectively.

"I am pleased to announce another record performance by Team O'Reilly," said David O'Reilly, co-chairman and chief executive officer. "Achieving comparable store sales of 2.9% on top of the 14.4% comps for the second quarter of 2001 is a real accomplishment. These results demonstrate our team's commitment to grow the company in a profitable manner. As we look forward, we continue to be excited about the opportunities of our business, the industry dynamics and our goal of reaching \$2 billion in sales per year by 2005."

The Company will host a conference call Wednesday, July 24, 2002, 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](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 "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 929 stores within the states of

Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, Oklahoma, Tennessee and Texas as of June 30, 2002.

Certain statements contained in this press release are forward-looking statements. 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, 2001, for more details.

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

	June 30, 2002	December 31, 2001
	(Unaudited)	(Note)
In thousands		
<b>Assets</b>		
Current assets:		
Cash	\$ 27,352	\$ 15,041
Short-term investments	500	500
Accounts receivable, net	52,777	41,486
Amounts receivable from vendors	42,990	38,440
Inventory	479,546	447,793
Refundable income taxes	7	168
Deferred income taxes	1,303	3,908
Other current assets	3,745	3,327
Total current assets	608,220	550,663
Property and equipment, at cost	436,569	392,365
Accumulated depreciation and amortization	119,692	103,361
Net property and equipment	316,877	289,004
Notes receivable	2,065	2,557
Other assets	17,283	14,635
Total assets	\$ 944,445	\$ 856,859
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Note payable to bank	\$ --	\$ 5,000
Income taxes payable	11,470	--
Accounts payable	84,305	61,875
Accrued payroll	13,430	12,866
Accrued benefits and withholdings	19,567	14,038
Other current liabilities	22,730	15,514
Current portion of long-term debt	4,515	11,843
Total current liabilities	156,017	121,136
Long-term debt, less current portion	170,560	165,618
Deferred income taxes	9,789	9,141
Other liabilities	5,293	4,673
Shareholders' equity:		
Common stock, \$0.01 par value:		
Authorized shares – 90,000,000		
Issued and outstanding shares – 53,139,484 at June 30, 2002, and 52,850,713 at December 31, 2001	531	528
Additional paid-in capital	264,098	256,795
Retained earnings	338,157	298,968
Total shareholders' equity	602,786	556,291
Total liabilities and shareholders' equity	\$ 944,445	\$ 856,859

Note: The balance sheet at December 31, 2001, 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,	
	2002	2001	2002	2001
	(In thousands, except per share data)			
Product sales	\$ 343,181	\$ 280,676	\$ 638,670	\$ 519,739
Cost of goods sold, including warehouse and distribution expenses	<u>198,995</u>	<u>162,887</u>	<u>368,456</u>	<u>299,524</u>
Gross profit	144,186	117,789	270,214	220,215
Operating, selling, general and administrative expenses	<u>106,417</u>	<u>87,031</u>	<u>203,807</u>	<u>167,725</u>
Operating income	37,769	30,758	66,407	52,490
Other expense, net	<u>(1,527)</u>	<u>(1,756)</u>	<u>(3,398)</u>	<u>(3,598)</u>
Income before income taxes	36,242	29,002	63,009	48,892
Provision for income taxes	<u>13,695</u>	<u>11,015</u>	<u>23,820</u>	<u>18,588</u>
Net income	<u>\$ 22,547</u>	<u>\$ 17,987</u>	<u>\$ 39,189</u>	<u>\$ 30,304</u>
Net income per common share	<u>\$ 0.43</u>	<u>\$ 0.35</u>	<u>\$ 0.74</u>	<u>\$ 0.59</u>
Net income per common share - assuming dilution	<u>\$ 0.42</u>	<u>\$ 0.34</u>	<u>\$ 0.73</u>	<u>\$ 0.58</u>
Weighted average common shares outstanding	<u>53,058</u>	<u>51,823</u>	<u>52,971</u>	<u>51,708</u>
Adjusted weighted average common shares outstanding - assuming dilution	<u>53,698</u>	<u>52,427</u>	<u>53,653</u>	<u>52,237</u>

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

	Three Months Ended	
	June 30,	
	2002	2001
Inventory turnover (1)	1.58	1.56
Inventory turnover, net of payables (2)	1.92	1.93
AP to Inventory	17.6%	18.1%
Debt-to-capital	22.5%	20.1%
Return on equity	13.6%	11.9%
Return on assets	8.8%	7.8%
Total employment	14,030	11,895
Miscellaneous (in thousands):		
Capital Expenditures	\$ 23,916	\$ 16,628
Depreciation & Amortization	\$ 8,946	\$ 7,803
Interest Expense	\$ 2,113	\$ 2,284
Lease & Rental Expense	\$ 6,783	\$ 6,500
Store count:		
New stores, net	30	30
Total stores	929	732
Square footage (in thousands):		
O'Reilly	5,477	4,901
Mid-State	560	--
Totals	6,304	4,901
Sales per weighted average square foot:		
O'Reilly	\$ 56.90	\$ 59.21
Mid-State	36.95	--
Totals	\$ 55.07	\$ 59.21
Sales per weighted average store (in thousands):		
O'Reilly	\$ 384	\$ 395
Mid-State	241	--
Totals	\$ 371	\$ 395

(1) Inventory turnover is calculated as cost of sales for the last 12 months divided by the average of beginning and ending inventory.

(2) Inventory turnover, net of payables is calculated as cost of sales divided by the average of beginning and ending inventory less accounts payable.