



**Welcome!**

**2010 Annual Shareholders' Meeting**

# Forward Looking Statements

The Company claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company intends these forward-looking statements to speak only as of the time of the presentation and does not undertake to update or revise them, as more information becomes available. 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 including the acquisition of CSK Auto Corporation, 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 section of the Company's Form 10-K for the year ended December 31, 2009, for more details.

# Company History

## Founded in 1957

- by the O'Reilly family – with 13 original team members



## Initial public offering

- in 1993 – listed on the NASDAQ as ORLY

## Track record of consistent performance

- 17 consecutive years of record revenue, operating income, EBITDA and comparable store sales growth



# Company Overview

## Store Count

- 3,469 stores in 38 states as of March 31, 2010

## Distribution Centers

- 22 DCs
- Salt Lake City to open in May 2010
- Relocate Dixon to new facility in Stockton in September 2010
- Convert Phoenix in November 2010

## Team Members

- Over 45,000

## Last-Twelve-Months Sales

- \$4.96 billion as of March 31, 2010

## Market Capitalization

- \$5.75 billion at March 31, 2010

## Total Assets

- \$4.84 billion as of March 31, 2010

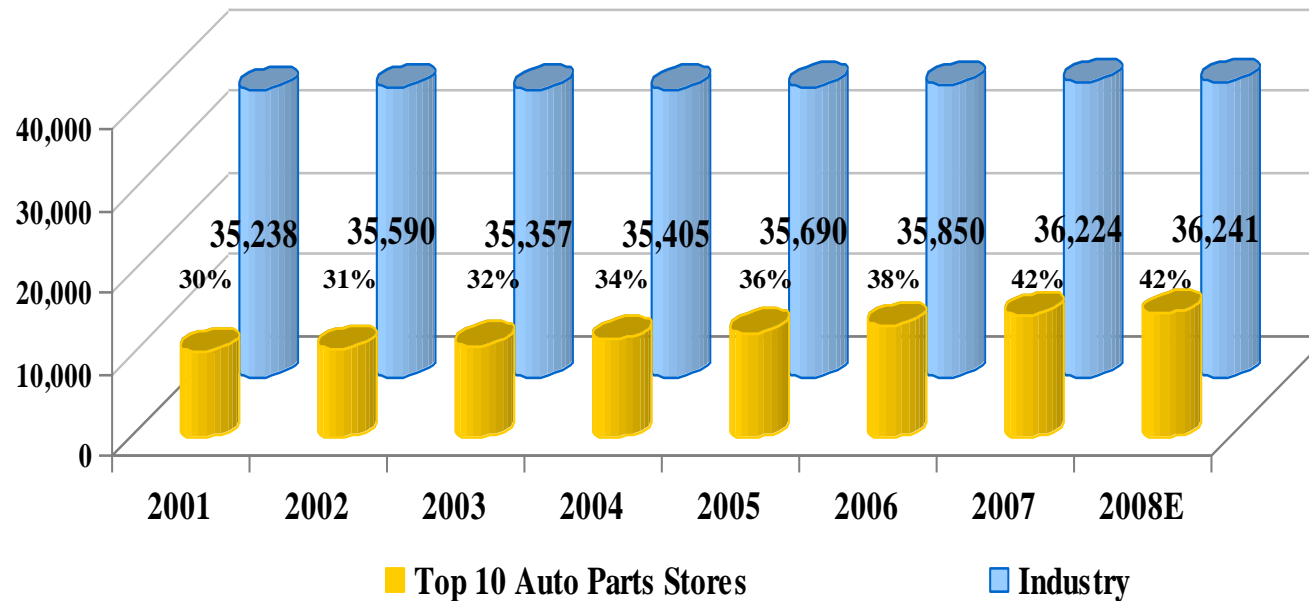
## Earnings Results

- 2009 adjusted EPS increased 38% to \$2.26
- 1<sup>st</sup> Quarter 2010 diluted EPS increased 52% to \$0.70



# Industry Overview

## Fragmented Market



### Top Ten Auto Parts Chains

1. AutoZone Inc. (4,491)
2. O'Reilly Auto Parts (3,469)
3. Advance Auto Parts (3,420)
4. General Parts Inc./CARQUEST (1,500)
5. Genuine Parts/NAPA (1,047)
6. Pep Boys (580)
7. Uni-Select (281)
8. Fisher Auto Parts (300)
9. Replacement Parts Inc. (155)
10. Auto-Wares Group (132)

Source: AAIA Factbook or latest SEC filing

# Dual Market Strategy



Established track record of serving both DIY and DIFM customers



Great market penetration and reduced vulnerability to competition



Leverages our existing retail and distribution infrastructure



Can profitably operate in large and small markets



Enhances service levels offered to our DIY customers



Significant barriers to success in DIFM market





# Strategic Distribution System

Distribute to stores daily via Company-owned fleet

Stock an average of 118,000 SKUs – available same day or overnight

Advanced material and handling equipment supported by progressive slotting and picking technology

196 Master Inventory “Hub” stores

## Existing O'Reilly DCs

- Atlanta, GA
- Billings, MT
- Brooklyn Park, MN
- Dallas, TX
- Denver, Co
- Des Moines, IA
- Greensboro, NC
- Houston, TX
- Indianapolis, IN
- Knoxville, TN
- Kansas City, MO
- Little Rock, AR
- Lubbock, TX
- Mobile, AL
- Moreno Valley, CA
- Nashville, TN
- Oklahoma City, OK
- Springfield, MO
- Seattle, WA



## Acquired CSK DCs

- Belleville, MI (converted)
- Phoenix, AZ
- Dixon, CA (to relocate to Stockton, CA)

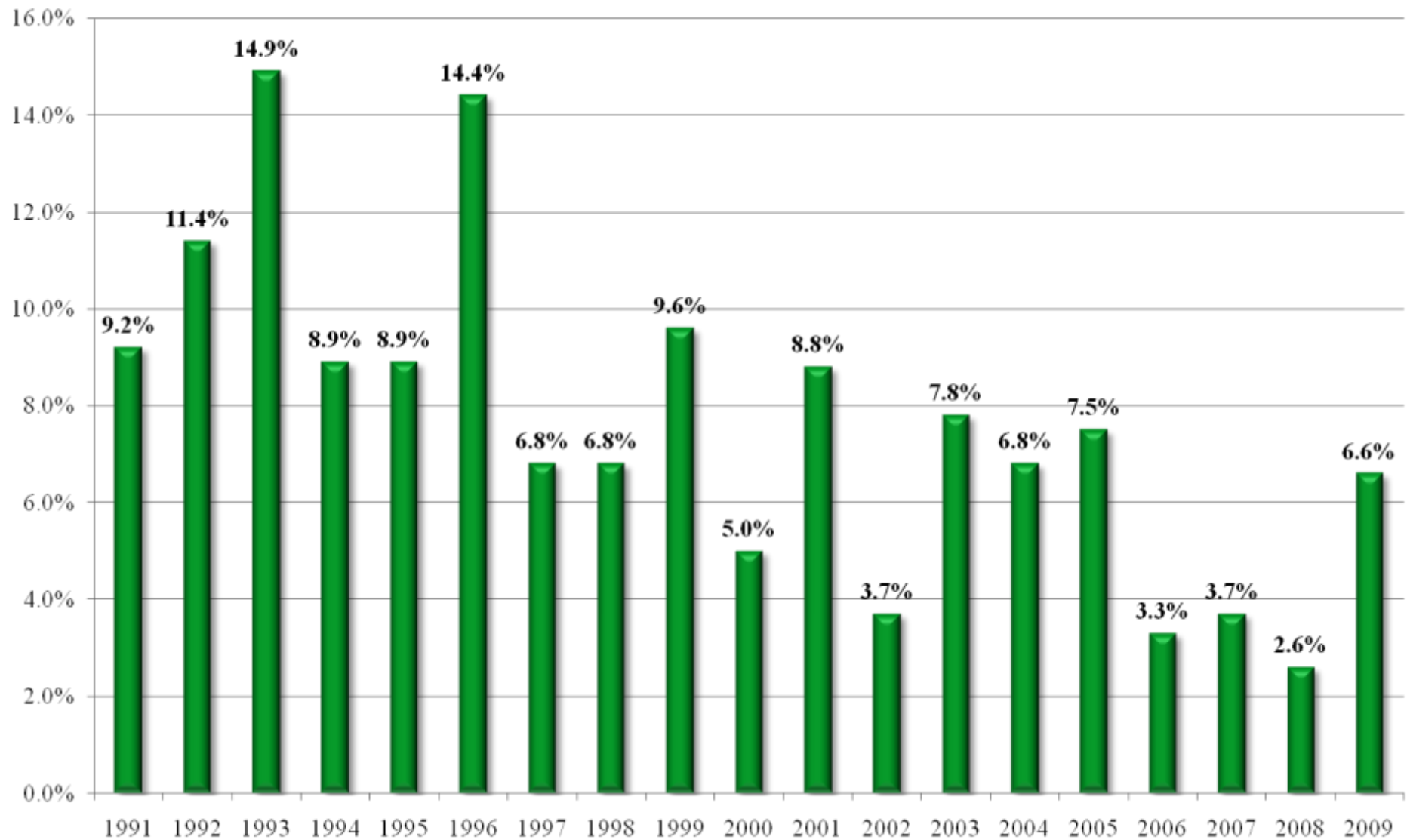


## Future DCs

- Salt Lake City, UT



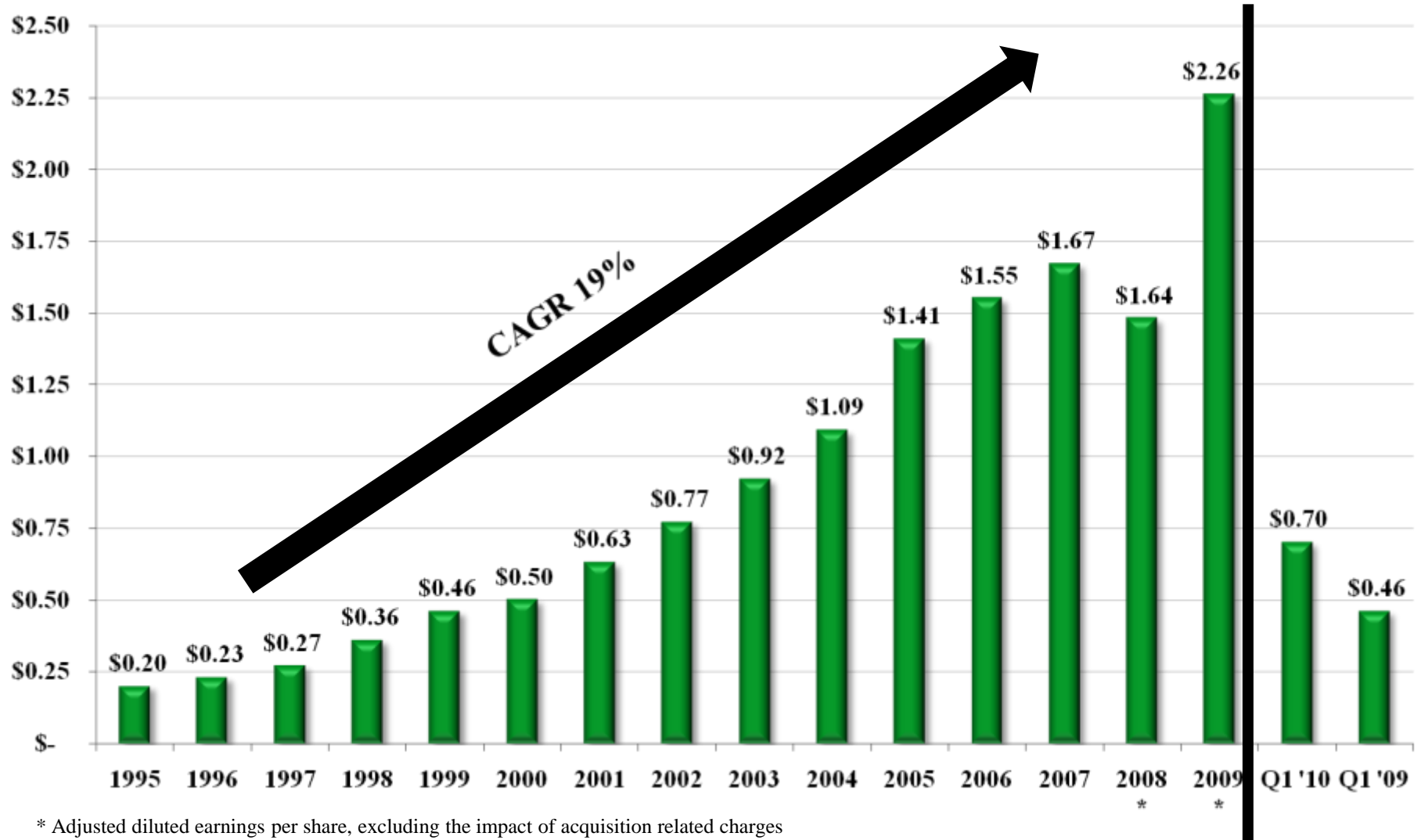
# Core O'Reilly Comparable Store Sales





# Fueling EPS Growth

**2010 Guidance**  
\$2.65 to \$2.75



# 1<sup>st</sup> Quarter 2010 Highlights



Opened 49 New Stores



6.9% Comparable Store Sales



Record 13.2% 1<sup>st</sup> Quarter Operating Margin



\$0.70 Earnings Per Share



2<sup>nd</sup> Quarter Comparable Store Sales Guidance of 4% to 6%



2<sup>nd</sup> Quarter EPS Guidance of \$0.70 to \$0.74



Raised 2010 Comparable Store Sales Guidance to 4% to 6%



Raised 2010 EPS Guidance to \$2.65 to \$2.75



# CSK INTEGRATION UPDATE:



# CSK Conversion Process



## ACCOMPLISHED

- Converted approximately 300 CSK stores in the Midwest and New Mexico
- Detroit distribution center conversion in April '09
- Created a “Hub” store system in the Western states
- Installed Commercial programs in two-thirds of CSK stores
- Completed hard-part resets in all stores, significantly increasing hard-part availability in these stores
- Added O'Reilly proprietary private label products and providing a “Good”, “Better” and “Best” selection
- Adjusted retail prices to be market competitive
- Sold through and reduced non-core/non-automotive merchandise
- Identified locations four new distribution centers and one relocation in the western states
- Opened Seattle 388,000 sq ft DC in Dec. '09 and began nightly service to stores
  - Installed new computer systems in 193 surrounding Schucks stores
- Opened Moreno Valley 408,000 sq ft DC in Jan. '10 and began nightly service to stores
  - Installed new computer systems in 238 surrounding Kragen stores
- Opened Denver 225,000 sq ft DC in Mar. '10 and began nightly service to stores
  - Installed new computer systems in 84 surrounding Checker stores

# CSK Conversion Process



## TO BE ACCOMPLISHED

- Open Salt Lake City 205,000 sq ft DC in May '10 and begin nightly service to stores
  - Install new computer systems in 86 surrounding Checker stores
- Relocate Dixon DC to new 520,000 sq ft DC in Stockton in Sept. '10 and begin nightly service to stores
  - Install new computer systems in 274 surrounding Kragen stores
- Convert Phoenix DC to O'Reilly systems in Nov. '10
  - Install new computer systems in 151 surrounding Checker stores
- Complete front room product line evaluations and roll out new planograms
- Reset all West coast store to the O'Reilly retail format – to be completed by 2<sup>nd</sup> Quarter '11
- Install O'Reilly store décor and graphic packages – to be completed by 2<sup>nd</sup> Quarter '11
- Complete exterior sign changes to the O'Reilly brand – to be completed by 2<sup>nd</sup> Quarter '11
- Complete commercial programs rollout in remaining CSK stores and enhance and expand the professional sales team
- Training and improvement of Team member parts knowledge with Learning Management System
- Introduce and transition to O'Reilly team Incentive Pay Plan and Manager's Commission Plan
- Refine product mix in all stores based on regional market and vehicle registrations
- Increase import coverage OE offerings



# CSK Store Conversion Timeline

CSK system and store conversions coincide with DC openings



## Seattle

- 194 stores
- Began: Nov. 2009
- Completed: Jan. 2010



## Moreno Valley

- 240 stores
- Began: Jan. 2010
- Completed: Mar. 2010



## Denver

- 92 stores
- Began: Mar. 2010
- Completed: May 2010



## Salt Lake City

- 81 stores
- Begins: May 2010
- Completion: Jun. 2010



## Stockton

- 278 stores
- Begins: Sept. 2010
- Completion: Nov. 2010



## Phoenix

- 151 stores
- Begins: Nov. 2010
- Completion: Nov. 2010

November 2009 thru December 2010



# Before and After



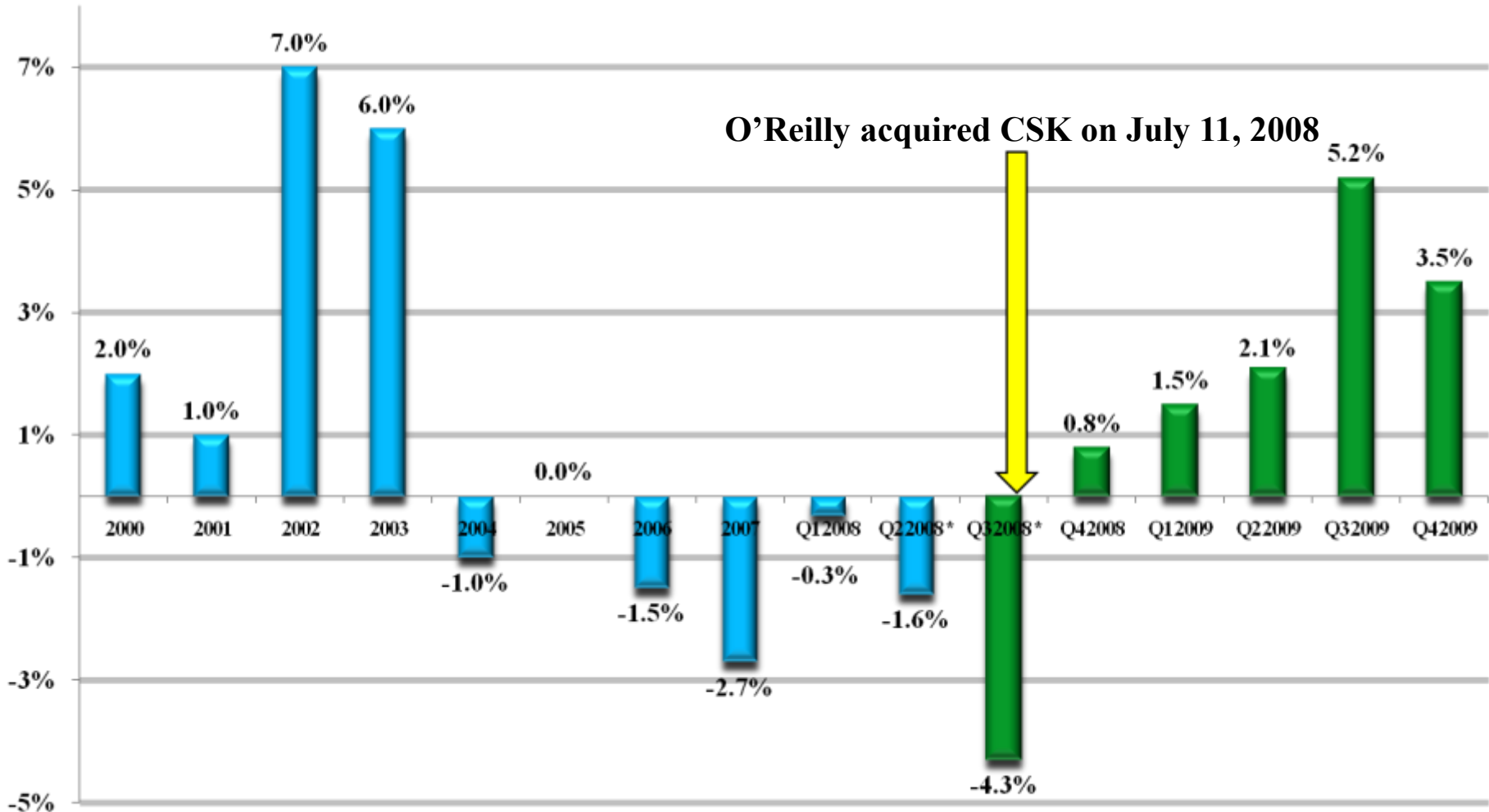
# Before and After



# Before and After



# CSK Comparable Store Sales



\* Q2 2008 – comparable store sales from May 5 up to date of acquisition

\* Q3 2008 – comparable store sales from date of acquisition through September 30.



# O'Reilly Culture Statement

**"We are ENTHUSIASTIC,  
HARDWORKING PROFESSIONALS who  
are DEDICATED to TEAMWORK,  
SAFETY, and EXCELLENT CUSTOMER  
SERVICE. We will practice EXPENSE  
CONTROL while setting an example of  
RESPECT, HONESTY, and a WIN-WIN  
ATTITUDE in everything we do!"**