



O'Reilly

**AUTO PARTS®**

**PROFESSIONAL PARTS PEOPLE**

# 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, 2008, for more details.**

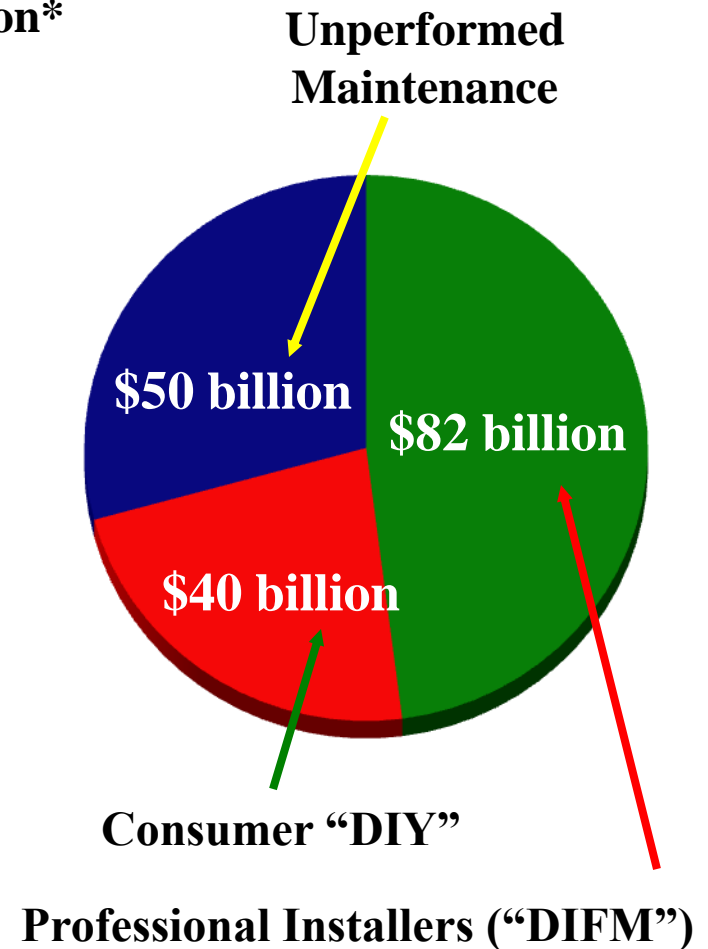
# Automotive Aftermarket Industry Overview

🍀 Estimated annual sales of approximately \$119 billion\*

🍀 Growth in both DIY and DIFM markets

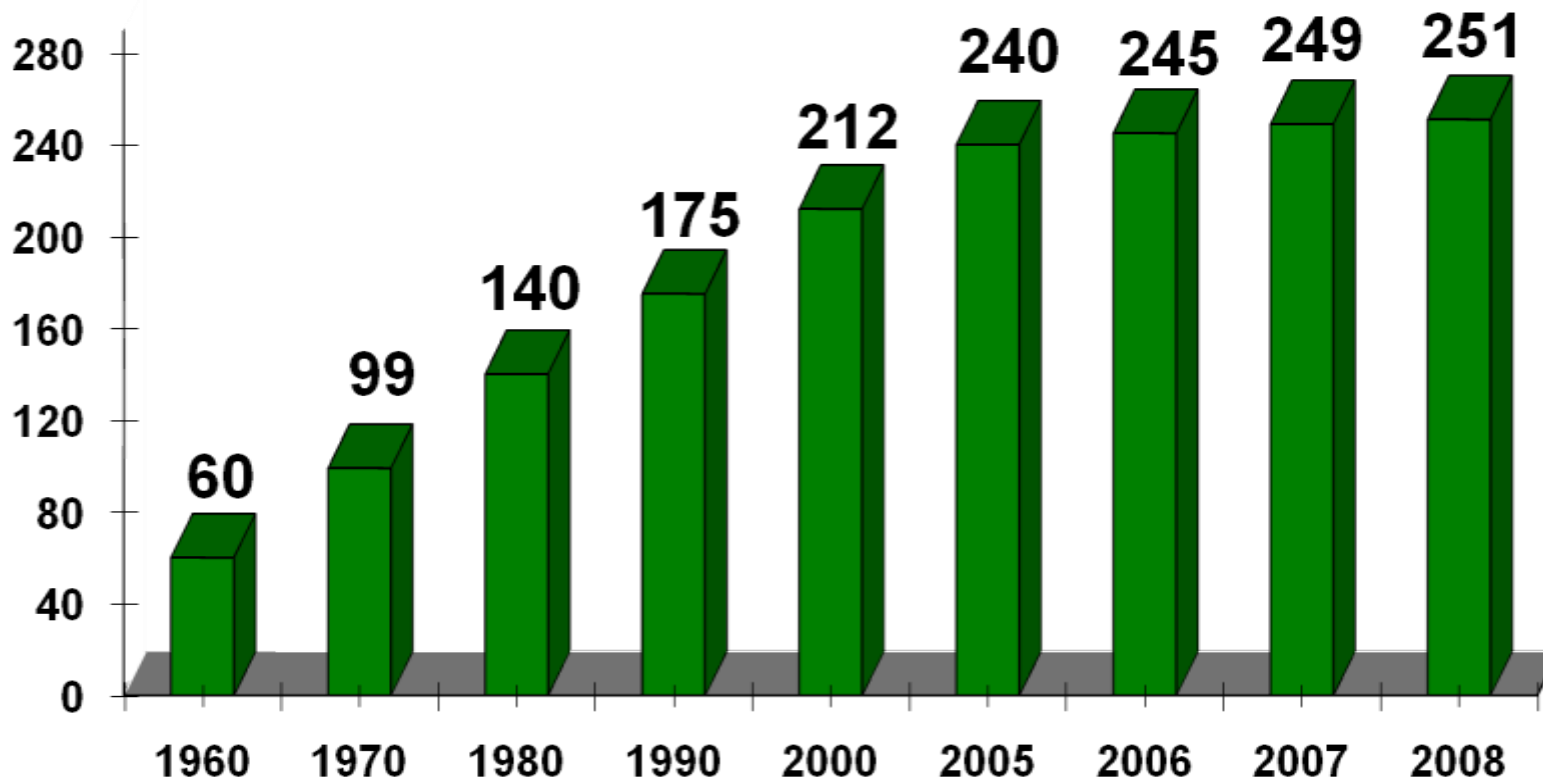
🍀 O'Reilly believes industry's growth is driven by:

- \$50 Billion Estimated Unperformed Maintenance
- Vehicle Population Growth
- Vehicle Average Age Growth
- Approximately 3 Trillion Annual Miles Driven
- Declining light vehicle sales



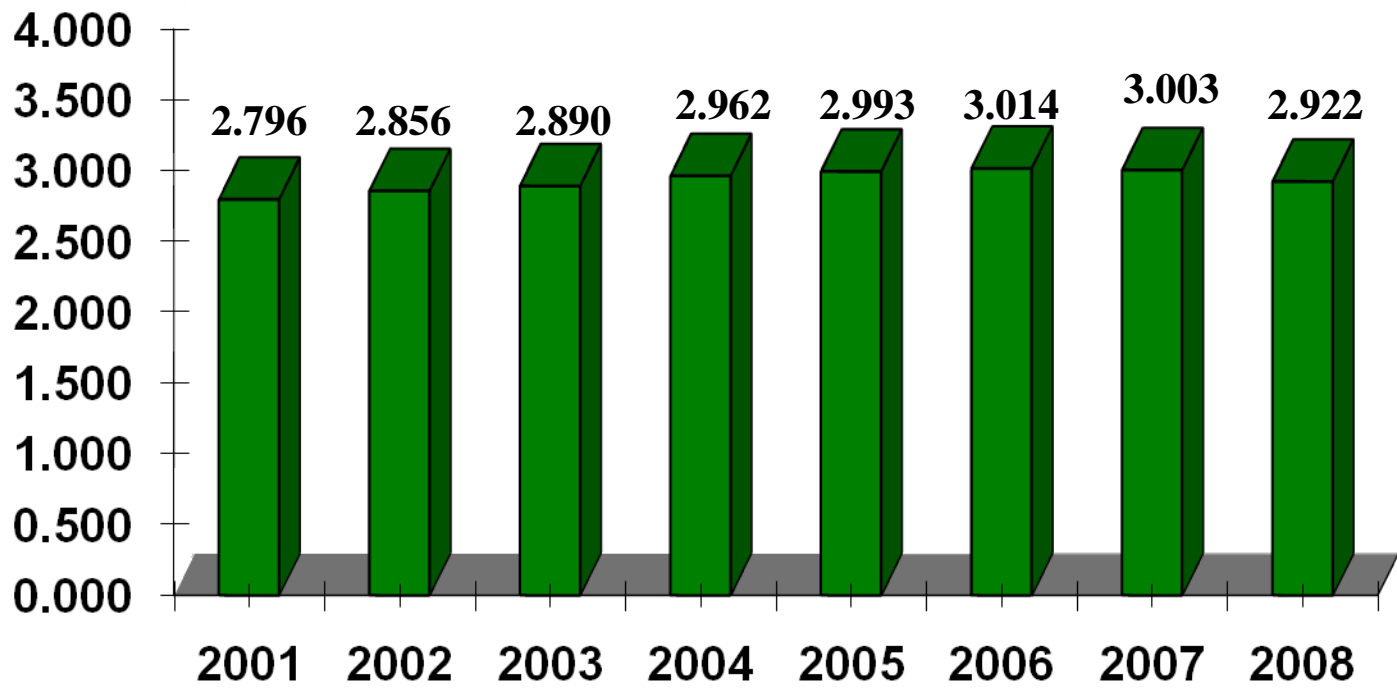
# U.S. Vehicle Population

in millions



# U.S. Vehicle Miles Driven

in trillions



# U.S. Miles Driven vs. U.S. Gas Prices

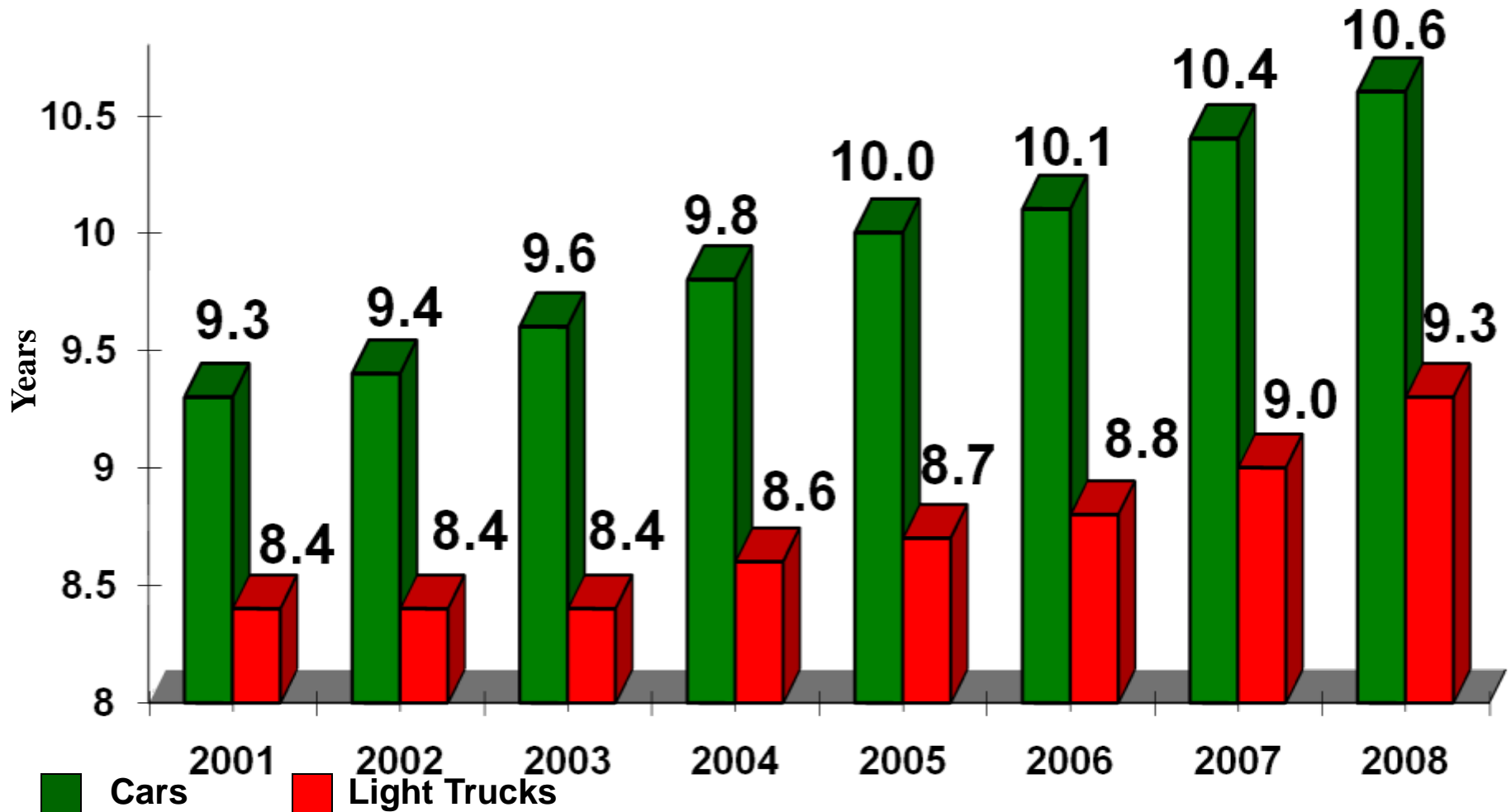


**Miles Driven Source:** U.S. Department of Transportation – Federal Highway Administration

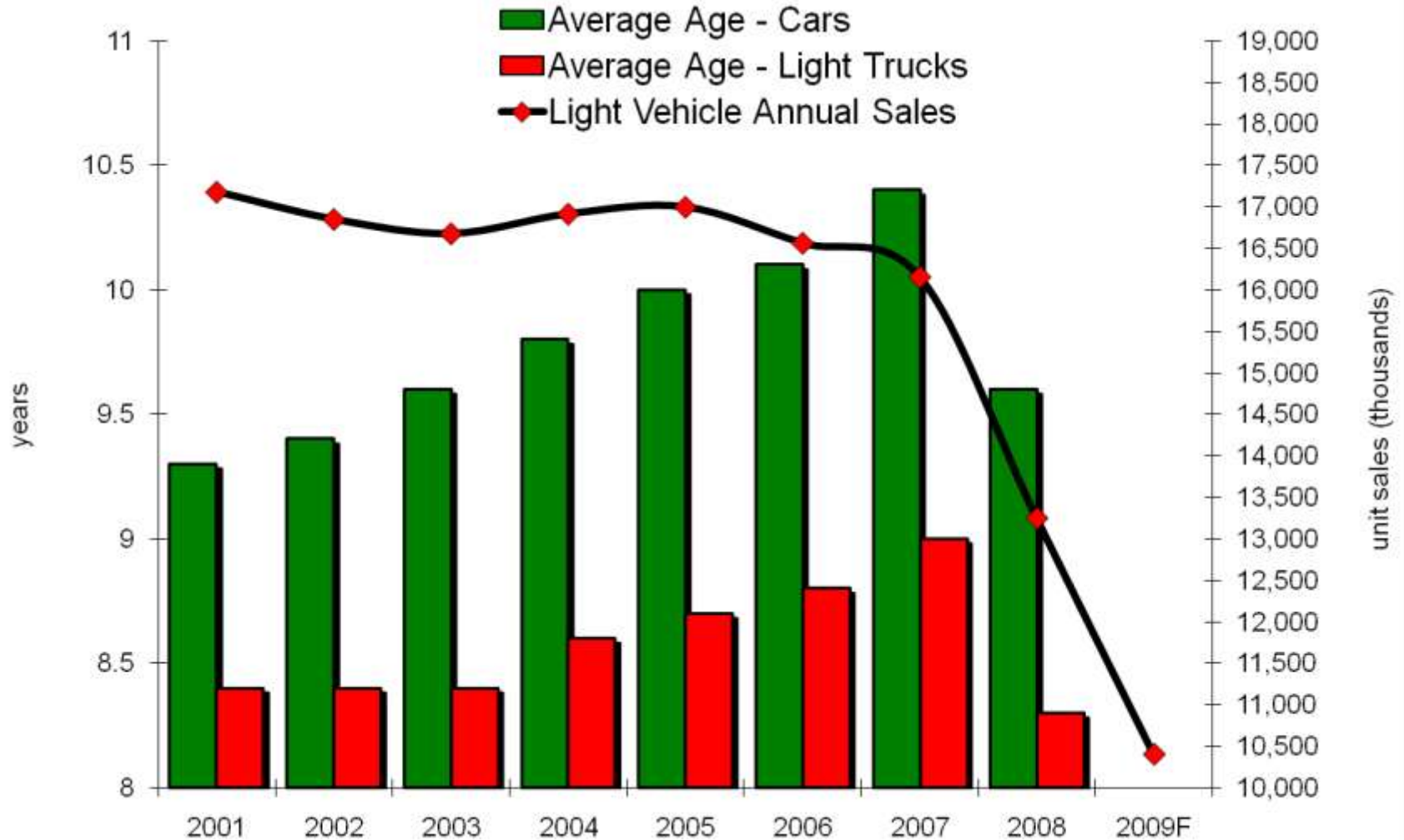
**Gas Prices Source:** U.S. Department of Labor – Bureau of Labor Statistics

Average gas price at  
 8/3/2009 was \$2.56

# U.S. Vehicle Average Age

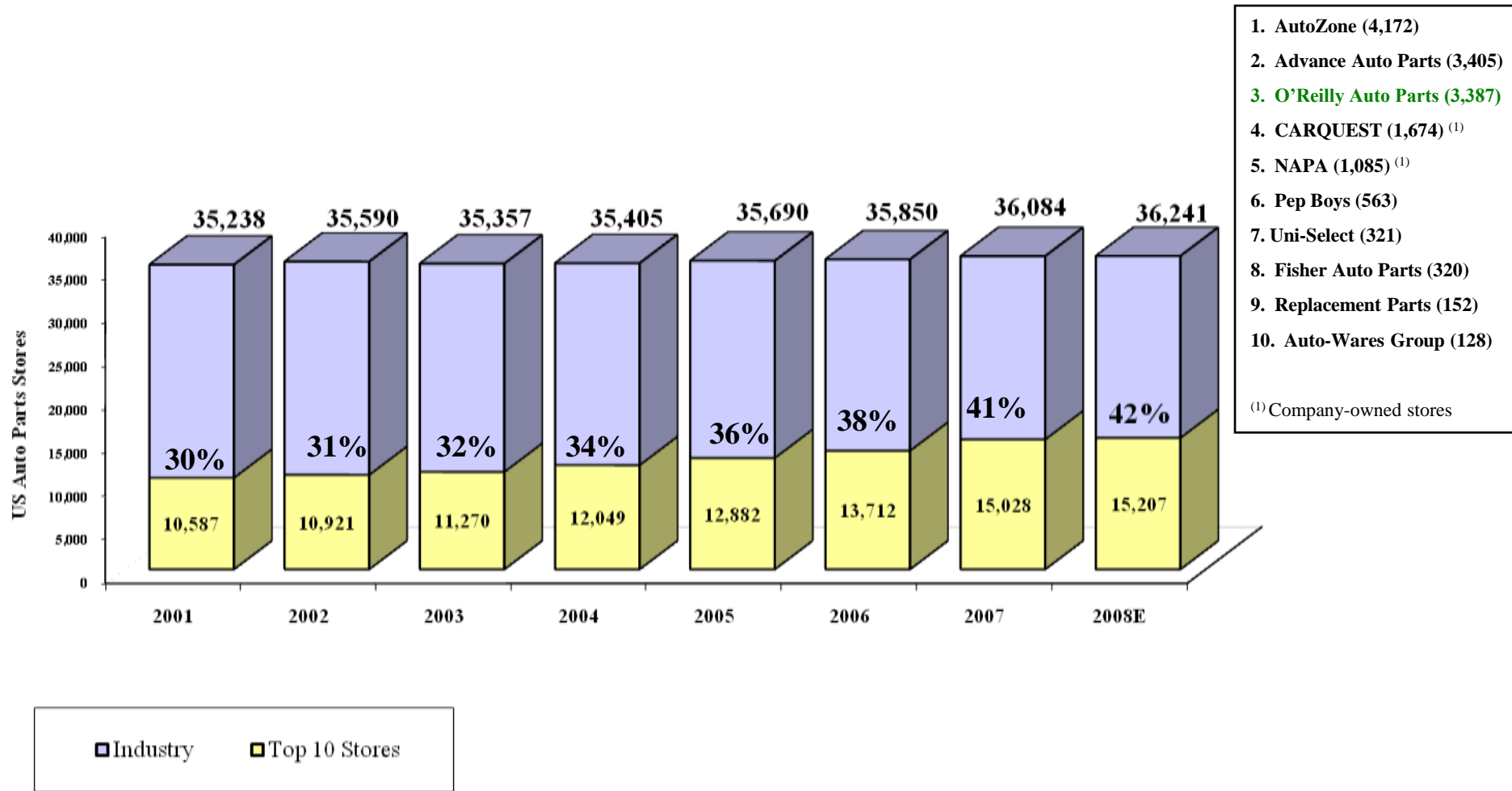


# Light Vehicle Population: Average Age & Annual Sales





# Industry Consolidation



# Top 10 U.S. Auto Parts Chains

1. AutoZone Inc. (4,172)<sup>(1)</sup>
2. Advance Auto Parts (3,405)<sup>(2)</sup>
3. **O'Reilly Auto Parts (3,387)**
4. General Parts Inc./CARQUEST (1,674)
5. Genuine Parts/NAPA (1,085)
6. Pep Boys (563)<sup>(2)</sup>
7. Uni-Select (321)<sup>(3)</sup>
8. Fisher Auto Parts (320)
9. Replacement Parts Inc. (152)
10. Auto-Wares Group (128)



- (1) Excludes Mexico
- (2) Includes Puerto Rico
- (3) Only Corporate Stores

# 2009 Aftermarket Outlook

## ♣ **Pressure on Miles Driven:**

- Recessionary economy
- Rising unemployment: June 2009 @ 9.7%; Year-end 2009E @ 10%+

## ♣ **Continued aging of the U.S. Vehicle Population:**

- Falling new car sales: 2005 @ 17 million and 2009 Forecast @ 10.4 million
- Tight consumer spending leads to investing in currently owned autos

## ♣ **Industry consolidation:**

- Big and small
- Lack of available credit



# Company Overview

- ❖ **Founded in 1957 by the O'Reilly family with initial public offering in 1993 – Listed on NASDAQ as ORLY**
- ❖ **16 consecutive years of revenue and operating income, EBITDA and comparable store sales growth**
- ❖ **Annual sales of \$3.6 billion in 2008 with EBITDA of \$448.7 million, combined O'Reilly/CSK 2008 pro forma annual sales of \$4.5 billion**



# Company Overview

- 3,387 stores in 38 states as of June 30, 2009, on a combined basis
- 19 Distribution Centers with four on the way (Seattle, Los Angeles, Salt Lake City & Denver metro areas)
- Last-twelve-months sales of \$4.6 billion as of June 30, 2009
- Over 42,000 Team Members
- Market Capitalization – over \$5.0 Billion
- Total Assets - \$4.6 Billion
- Second quarter 2009 adjusted EPS of \$0.63 versus EPS of \$0.48 for the same period in 2008. Year-to-date adjusted EPS of \$1.10 versus EPS of \$0.88 for the same period in 2009.



# Dual Market Strategy

- Established track record of serving both do-it-yourself (“DIY”) customers and professional installers
- Greater 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 professional installer market





# Commercial Strategy

- ❖ **O'Reilly started exclusively in the commercial business in 1957**
- ❖ **Unsurpassed availability of quality brand name parts through distribution system and hub store network**
- ❖ **National account supplier**
- ❖ **Strong commercial sales force through First Call program**
- ❖ **Sophisticated pricing system to maximize gross margin**
- ❖ **Full service provider of all business needs of professional installers**



# Strategic Distribution System

- ☘ Distribute to stores daily — not weekly
- ☘ Stock over 100,000 SKUs — more than competitors
- ☘ Computerized inventory management system
- ☘ Master Inventory “Hub” stores – More than 100
- ☘ Nineteen strategically located distribution centers

- |                     |                    |                                    |
|---------------------|--------------------|------------------------------------|
| - Houston, TX       | - Mobile, AL       | - Phoenix, AZ                      |
| - Springfield, MO   | - Dallas, TX       | - Belleville, MI                   |
| - Oklahoma City, OK | - Little Rock, AR  | - Dixon, CA – to be relocated      |
| - Kansas City, MO   | - Nashville, TN    | - Seattle Metro – November 2009    |
| - Billings, MT      | - Indianapolis, IN | - Los Angeles Metro – January 2010 |
| - Brooklyn Park, MN | - Atlanta, GA      | - Denver Metro – March 2010        |
| - Des Moines, IA    | - Lubbock, TX      | - Salt Lake City Metro – May 2010  |
| - Knoxville, TN     | - Greensboro, NC   |                                    |





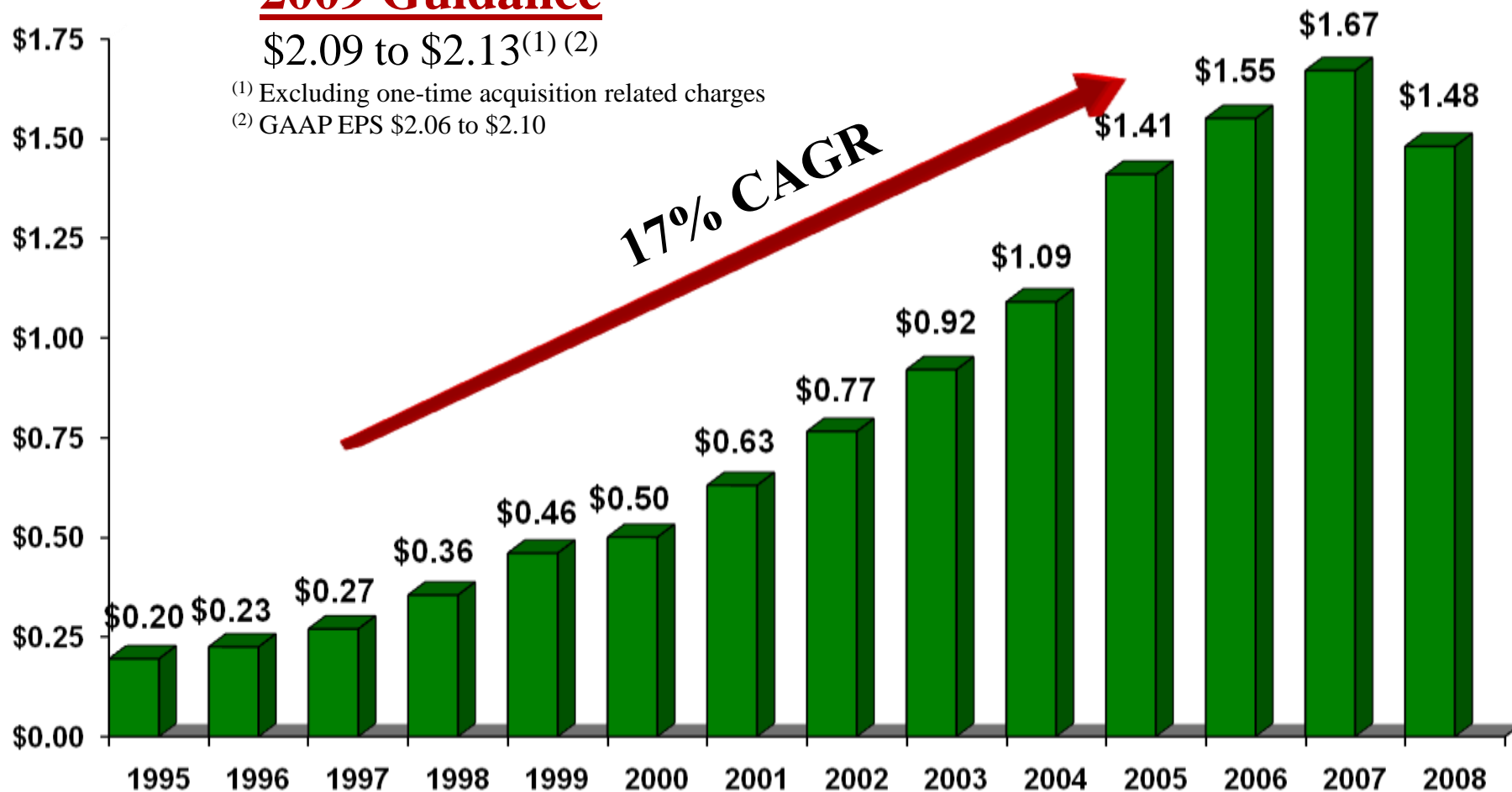
# EPS Growth

## 2009 Guidance

\$2.09 to \$2.13<sup>(1) (2)</sup>

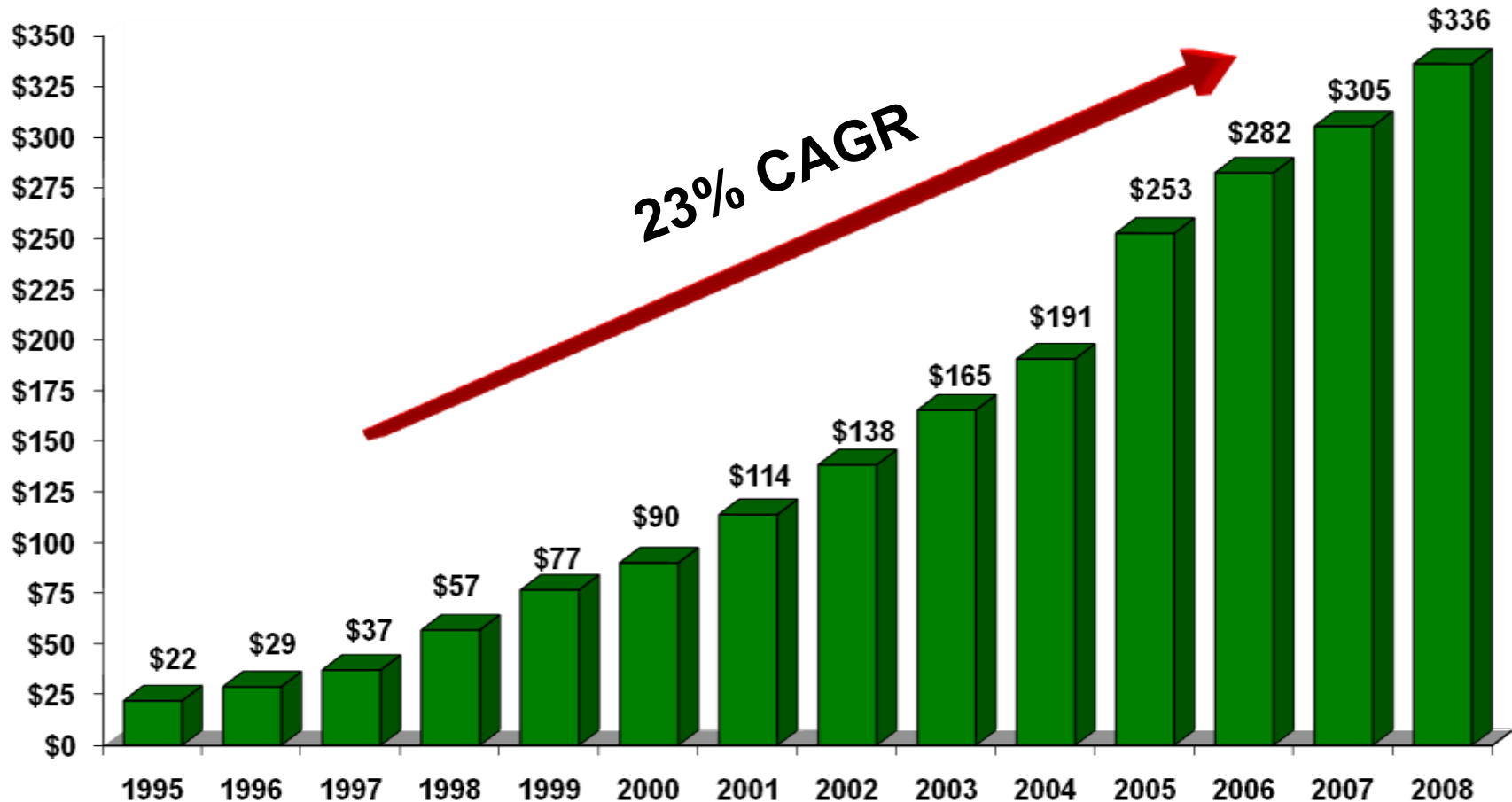
<sup>(1)</sup> Excluding one-time acquisition related charges

<sup>(2)</sup> GAAP EPS \$2.06 to \$2.10



# Operating Income

(\$ in millions)



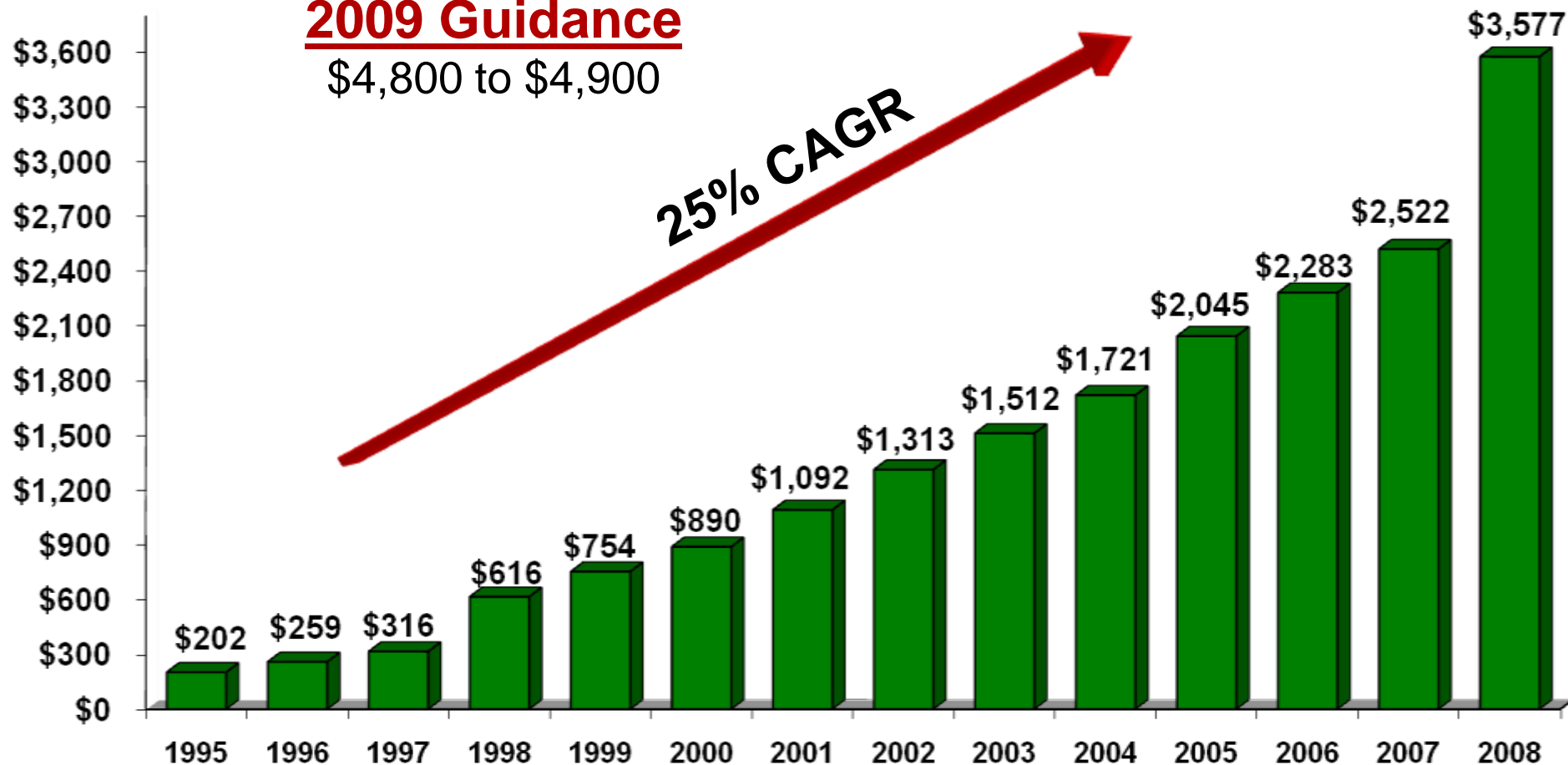
# Product Sales

(\$ in millions)

**2009 Guidance**

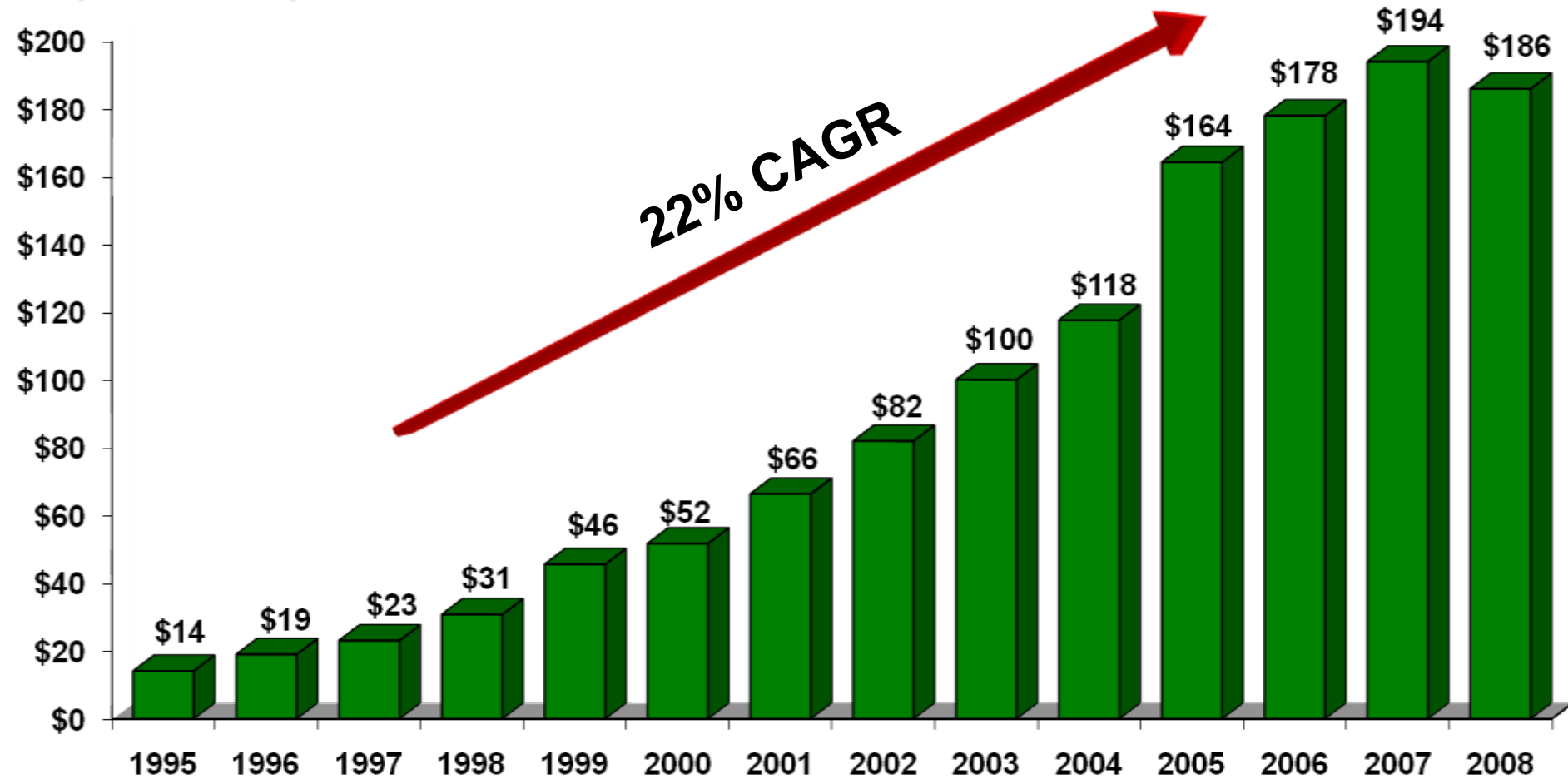
\$4,800 to \$4,900

**25% CAGR**



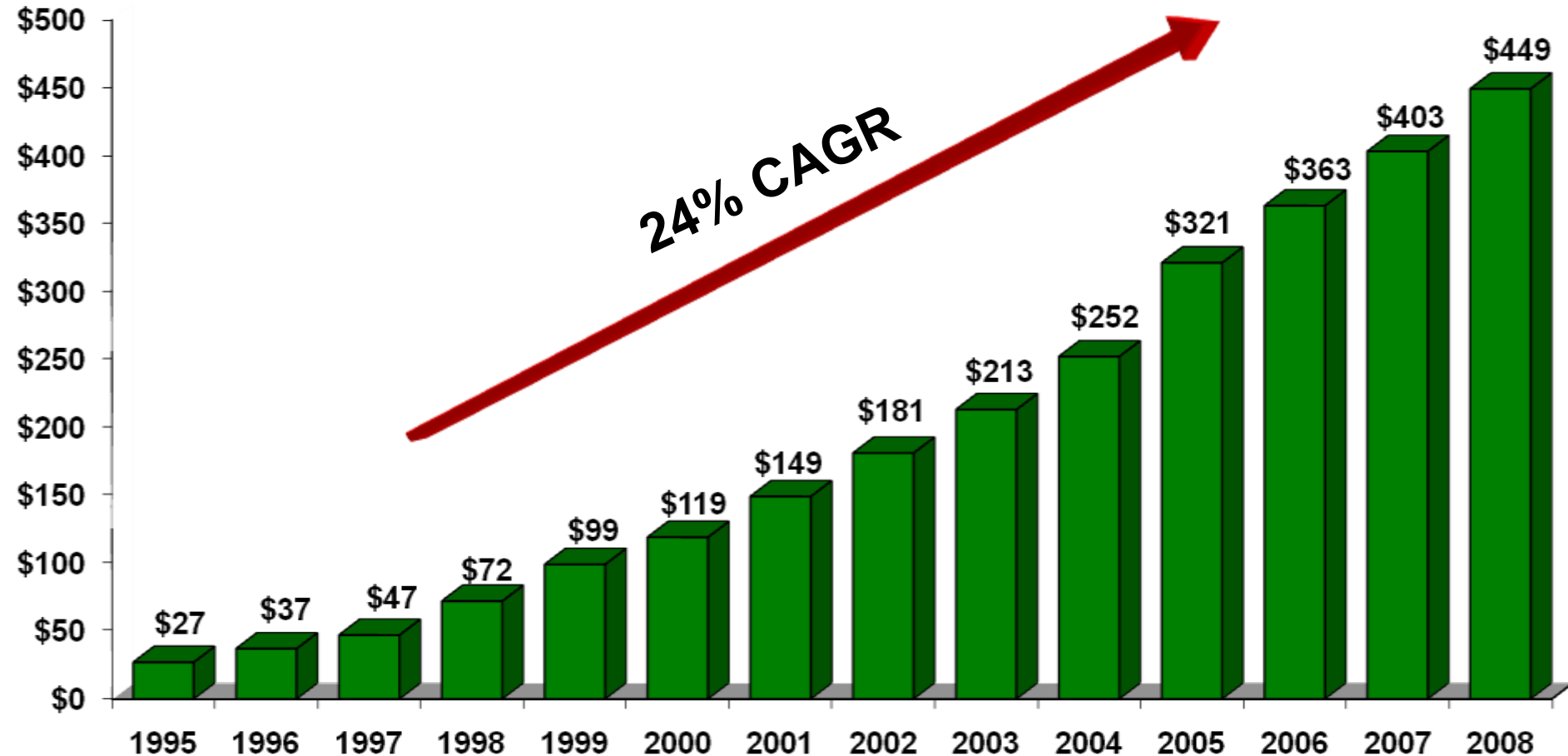
# Net Income

(\$ in millions)

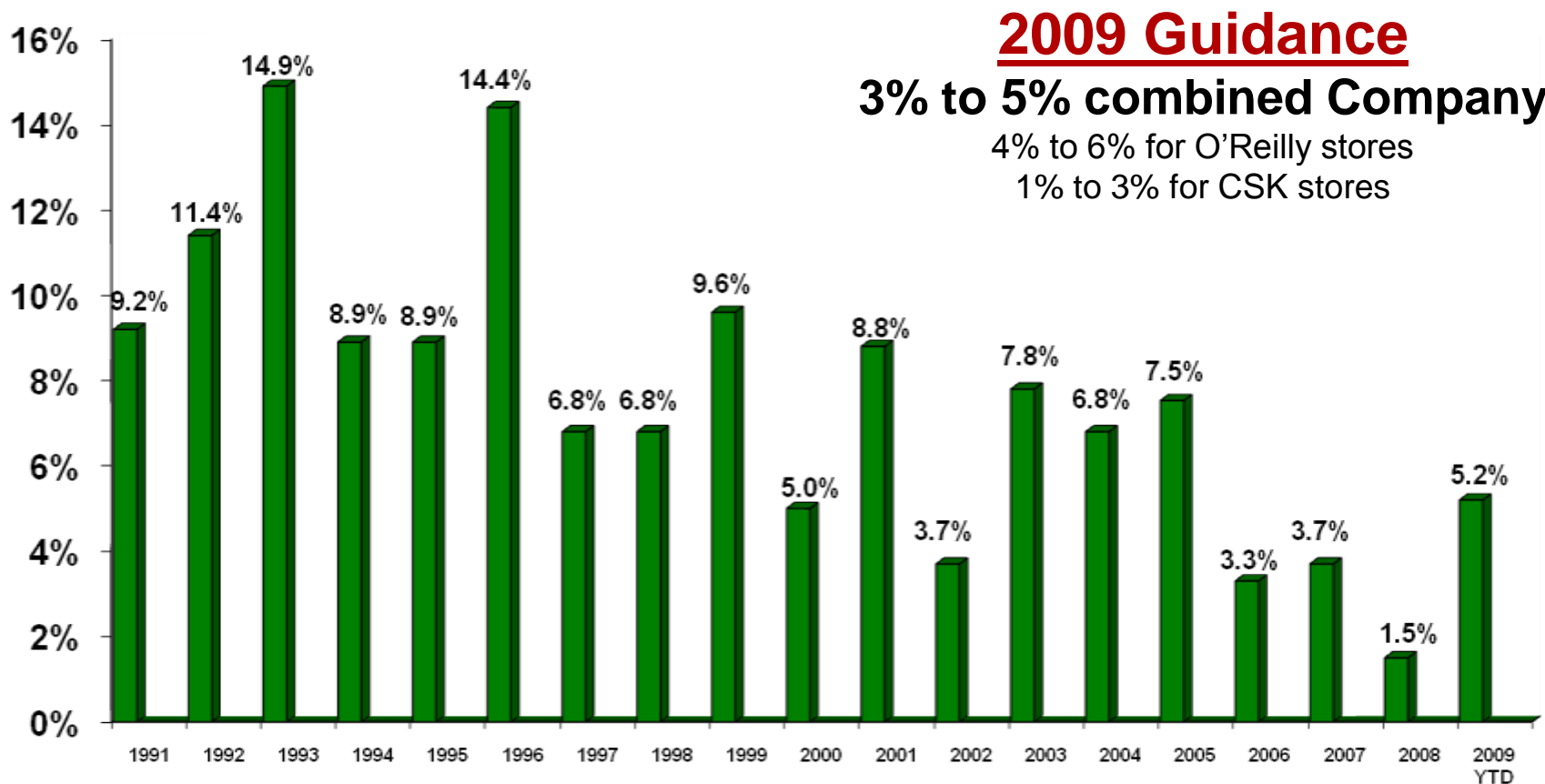


# EBITDA

(\$ in millions)



# Same Store Sales

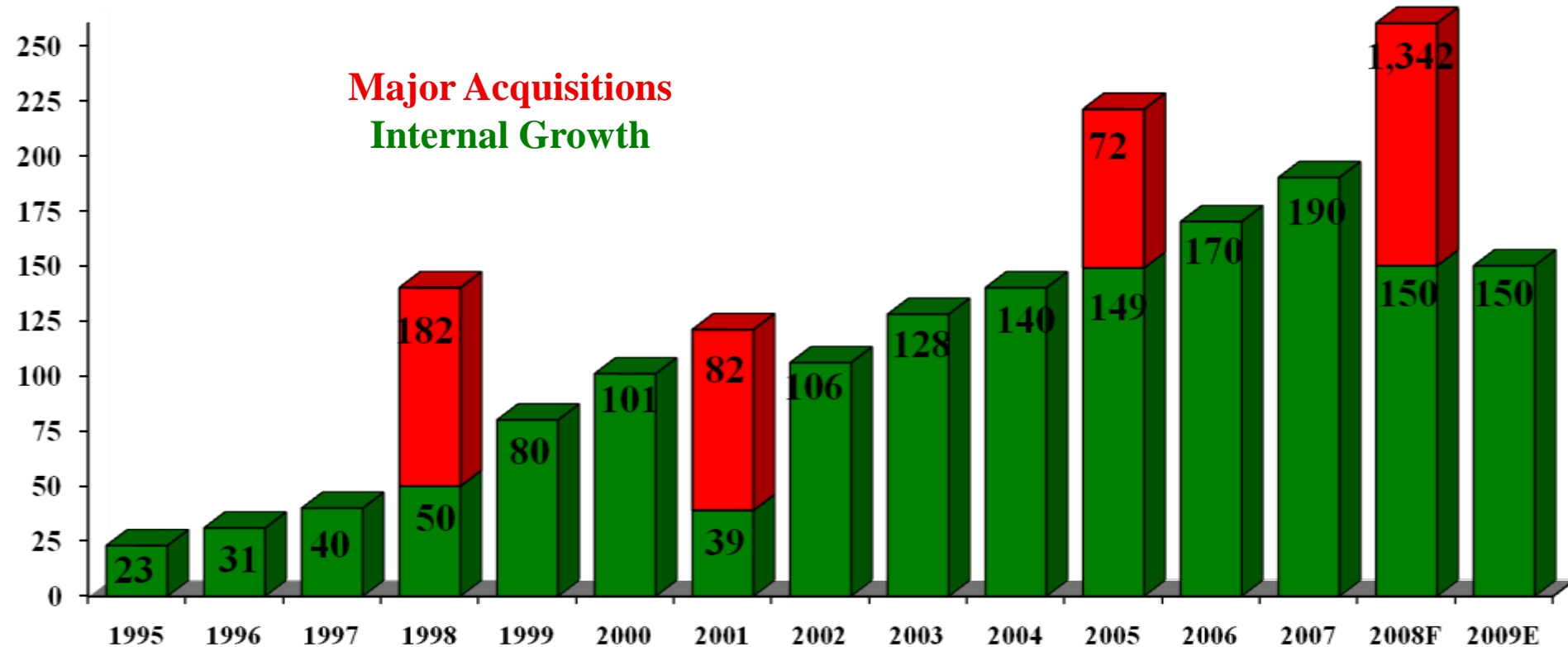


Same-store product sales data are calculated based on the change in product sales of stores open at least one year. Prior to 2000, same-store product sales data were calculated based on the change in product sales of only those stores open during both full periods being compared.

# Consistent Growth

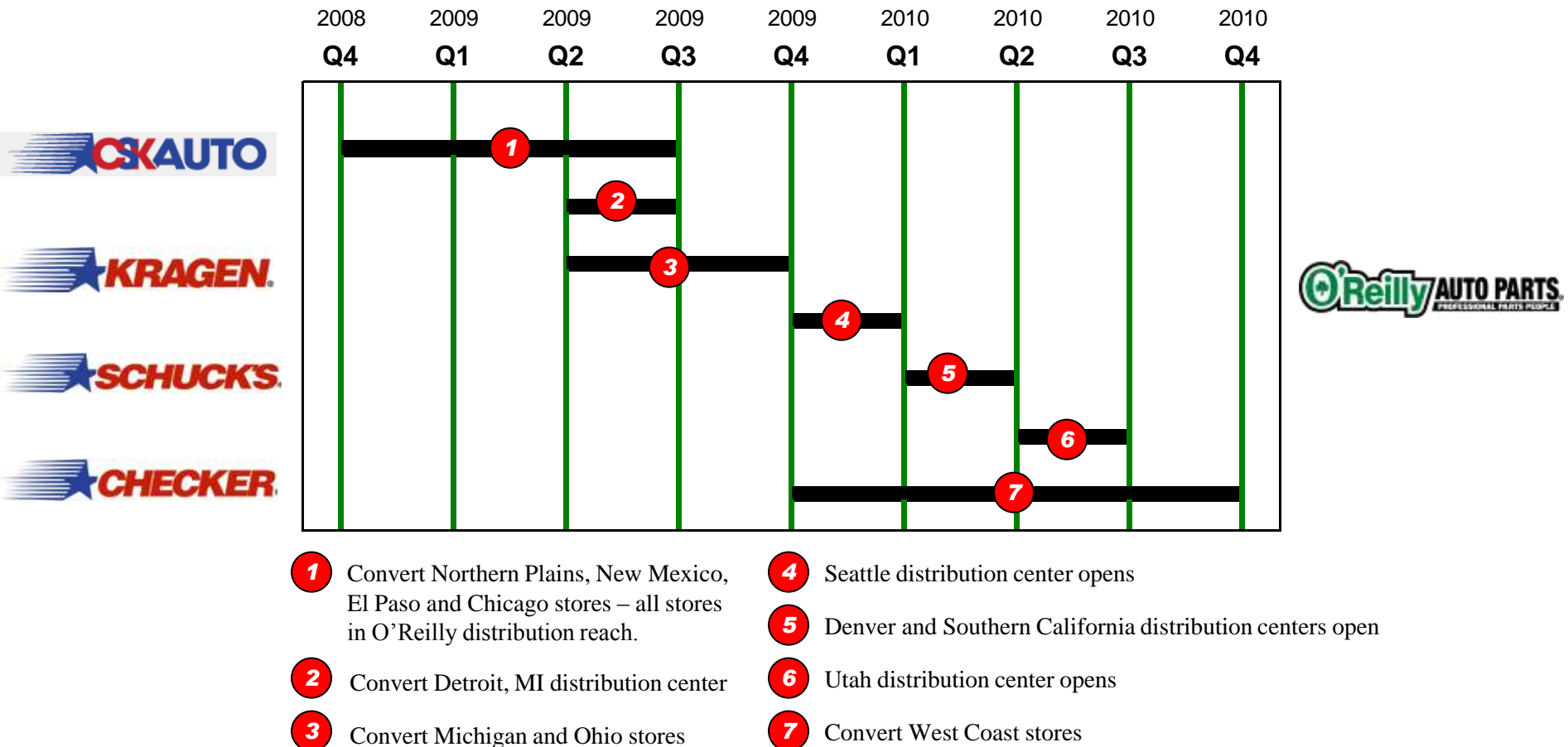


Expand in clusters around distribution centers and master inventory stores



# Integration Strategy

## Progressive conversion of CSK stores based on Distribution Reach

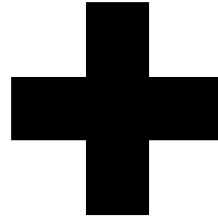
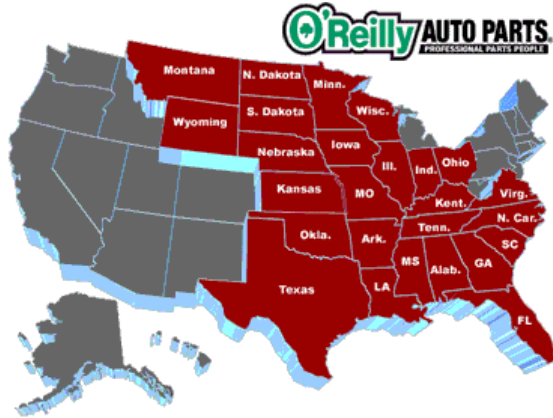




# Integration Strategy

- ✿ **Introduction and Integration of O'Reilly Culture**
- ✿ **Progressive conversion of CSK stores based on Distribution Reach**
- ✿ **Transition to Dual Market strategy**
- ✿ **Enhanced Distribution Service Level**
- ✿ **Multi-year migration to a single information systems platform**

# 38 States and Growing...



# 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!"

