



AutoZone's 1st Quarter Sales Up 33%; EPS Up 10%

December 10, 1998

MEMPHIS, Tenn., Dec. 10 /PRNewswire/ -- AutoZone, Inc. (NYSE: AZO - news), today reported net income for the 12 weeks ended November 21, 1998, of \$51.3 million, an increase of 8% from \$47.5 million for the fiscal first quarter of 1998. Diluted earnings per share increased 10% to 34 cents from 31 cents.

Sales for the quarter rose 33% to \$901 million from \$675 million a year earlier. The increase in sales is primarily the result of acquisitions made in fiscal 1998 and new store openings. Comparable store sales, or sales at stores opened prior to the start of fiscal 1998, rose 3%, compared to 7% in the prior year.

"We are making significant progress in the assimilation of our acquired stores," said John C. Adams Jr., chairman and chief executive officer. "We finished remodeling the former Auto Palace stores in September and they're showing strong sales growth. Within a year, we expect all of our acquired stores to be operating as AutoZone stores and helping us build momentum for future growth.

"We also opened our first store outside the United States. Our Nuevo Laredo store in northern Mexico opened December 1 and will soon be followed with stores in Reynosa and Rio Bravo."

During the quarter, AutoZone opened 63 new and replaced 3 AutoZone stores; 97 Chief stores were closed. In addition the company acquired 100 Express store locations from Pep Boys, which were closed at the end of the quarter and therefore excluded from the store count. These stores will be remodeled and opened over the next 12 to 15 weeks.

Also during the quarter, the company repurchased 2.1 million shares of its common stock for \$50 million.

AutoZone sells auto and light truck parts, chemicals and accessories through 2,177 AutoZone stores in 38 states and 446 stores in 5 states acquired from Chief. Chief stores are being converted to AutoZone stores. AutoZone also sells heavy-duty truck parts through 43 TruckPro stores in 14 states, and automotive diagnostic and repair software through ALLDATA.

Certain statements contained in this press release are forward-looking statements. These statements discuss, among other things, expected growth, domestic and international development and expansion strategy, business strategies and future performance. These forward-looking statements are subject to risks, uncertainties and assumptions, including without limitation, competition, product demand, domestic and international economies, government approvals, inflation, the ability to hire and retain qualified employees, the ability to convert acquired stores in a timely and profitable manner, consumer debt levels and the weather. Actual results may materially differ from anticipated results. Please refer to the Risk Factors section of Form 10-K for the year ended August 29, 1998 for more details.

AUTOZONE FISCAL 1ST QUARTER FINANCIAL HIGHLIGHTS (In Thousands, Except Per-Share Data)

	12 Weeks Ended November 21, 1998	12 Weeks Ended November 22, 1997
Net Sales	\$900,949	\$675,274
Gross profit	\$376,482	\$280,441
Operating profit	\$ 89,815	\$ 78,648
Income before income taxes	\$ 81,300	\$ 76,146
Net income	\$ 51,300	\$ 47,546
Net income per share:		
Basic	\$ 0.34	\$ 0.31
Diluted	\$ 0.34	\$ 0.31
Weighted average shares:		
Basic	150,762	151,697
Diluted	151,568	153,823