SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

[X] Annual Report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended August 26, 2000, or

[ ] Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from to .

Commission file number 1-10714

AUTOZONE, INC.

(Exact name of registrant as specified in its charter)

Nevada	**62-1482048**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

123 South Front Street, Memphis, Tennessee 38103
(Address of principal executive offices) (Zip Code)

(901) 495-6500
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock ($.01 par value)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K § 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the 82,799,107 shares of voting stock of the registrant held by non-affiliates of the registrant (excluding, for this purpose, shares held by officers, directors, or 10% stockholders) was $1,976,828,680 based on the last sales price of the Common Stock on October 17, 2000, as reported on the New York Stock Exchange. The number of shares of Common Stock outstanding as of October 17, 2000, was 116,000,313.

Documents Incorporated By Reference

Portions of the Annual Report to Stockholders for the year ended August 26, 2000, filed as Exhibit 13.1 hereto, are incorporated by reference into Part II.

Portions of the definitive Proxy Statement dated October 27, 2000, for the Annual Meeting of Stockholders to be held December 14, 2000, are incorporated by reference into Part III.

NOTE:

This amended Form 10-K is being filed to physically attach excerpts from the Annual Report to Stockholders as Exhibit 13.1. The Annual Report had previously been provided as EDGAR form type ARS and incorporated by reference. The information contained in Exhibit 13.1 is unchanged from the information contained in the Annual Report as previously provided.

PART II

Item 5. Market for Registrant's Common Stock and Related Stockholder Matters

Common Stock Market Prices for our common stock as traded on the New York Stock Exchange as shown in the section labeled "Quarterly Summary" of Exhibit 13.1 attached hereto are incorporated herein by reference.

At October 17, 2000, we had 3,561 stockholders of record, excluding the number of beneficial owners whose shares were represented by security position listings.

Item 6. Selected Financial Data

Selected financial data contained in the section entitled "Ten-Year Review" of Exhibit 13.1 attached hereto are incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The section entitled "Financial Review" of Exhibit 13.1 attached hereto is incorporated herein by reference.

In addition to the amounts disclosed in Note E of the Financial Statements attached hereto in Exhibit 13.1, on October 17, 2000, the Board of Directors of the Company approved an additional $100 million in stock repurchases in the open market.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The subsection entitled "Financial Market Risk" of the section entitled "Financial Review" of Exhibit 13.1 attached hereto is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The financial statements and related notes and the section entitled "Quarterly Summary" of Exhibit 13.1 attached hereto are incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports On Form 8-K

(a) 1. Financial Statements

The following financial statements included in the Annual Report to Stockholders for the fiscal year ended August 26, 2000, are incorporated by reference in Item 8:

- Report of Independent Auditors
- Consolidated Statements of Income for the fiscal years ended August 26, 2000, August 28, 1999, and August 29, 1998
- Consolidated Balance Sheets as of August 26, 2000, and August 28, 1999
- Consolidated Statements of Stockholders' Equity for the fiscal years ended August 26, 2000, August 28, 1999, and August 29, 1998
- Consolidated Statements of Cash Flows for the fiscal years ended August 26, 2000, August 28, 1999, and August 29, 1998
- Notes to Consolidated Financial Statements

2. Financial Statement Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because the information is not required or because the information required is included in the financial statements or notes thereto.

3. The following exhibits are filed as a part of this report:

Exhibit no.	Description of Exhibit
3.1	Restated Articles of Incorporation of AutoZone, Inc. Incorporated by reference to Exhibit 3.1 to the Form 10-Q for the quarter ended February 13, 1999.

3.2 Second Amended and Restated By-laws of AutoZone, Inc. Incorporated by reference to Exhibit 3.3 to the Form 8-K dated March 21, 2000

4.1 Senior Indenture, dated as of July 22, 1998, between AutoZone, Inc. and the First National Bank of Chicago. Incorporated by reference to Exhibit 4.1 to the Form 8-K dated July 17, 1998.

4.2 Rights Agreement, dated as of March 21, 2000, between AutoZone, Inc., and First Chicago Trust Company of New York. Incorporated by reference to Exhibit to the Form 8-K dated March 21, 2000.

4.3 First Amendment to Rights Agreement dated as of October 10, 2000, by and between AutoZone, Inc. and First Chicago Trust Company of New York. Incorporated by reference to the Form 8-K dated October 10, 2000.

4.4 Letter Agreement dated October 10, 2000 between AutoZone, Inc., and ESL Investments, Inc., dated October 10, 2000. Incorporated by reference to Exhibit 10.2 to Form 8-K dated October 10, 2000.

4.5 Second Amended and Restated AutoZone, Inc. Employee Stock Purchase Plan. Incorporated by reference to the Form 10-Q for the quarter ended November 20, 1999.

*10.1 Second Amended and Restated Director Stock Option Plan. Incorporated by reference to Exhibit 4.1 to the Form S-8 (No. 333-88243) dated October 1, 1999.

*10.2 Second Amended and Restated 1998 Director Compensation Plan.**

*10.3 Amended and Restated Stock Option Plan, as amended on February 26, 1991. Incorporated by reference to Exhibit 10.4 to the Form S-1 (No. 33-39197) filed April 1, 1991.

*10.4 Amendment No. 1 dated December 18, 1992, to the Amended and Restated Stock Option Plan. Incorporated by reference to Exhibit 10.5 to the Form 10-K for the fiscal year ended August 28, 1993.

*10.5 Second Amended and Restated 1996 Stock Option Plan. Incorporated by reference to Appendix B to the definitive Proxy Statement as filed with the Securities and Exchange Commission on November 2, 1998.

*10.6 Amended and Restated Agreement between J.R. Hyde, III, and AutoZone, Inc., dated October 23, 1997. Incorporated by reference to Exhibit 10.1 to the Form 10-Q for the quarter ended November 22, 1997.

10.7 364-Day Credit Agreement dated as of May 23, 2000, among AutoZone, Inc., as borrower, and the several lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, and The Chase Manhattan Bank, as Syndication Agent. Incorporated by reference to Exhibit 10.2 to the Form 10-Q for the quarter ended May 6, 2000.

10.8 Five-Year Credit Agreement dated as of May 23, 2000, among AutoZone, Inc., as borrower, the several lenders from time to time party thereto, Bank of American, N.A., as Administrative Agent, and The Chase Manhattan Bank, as Syndication Agent. Incorporated by reference to Exhibit 10.1 to the Form 10-Q for the quarter ended May 6, 2000.

*10.9 AutoZone, Inc. 2000 Executive Incentive Compensation Plan. Incorporated by reference to Exhibit A to the definitive Proxy Statement for the annual meeting of stockholders held December 9, 1999. Incorporated by reference to Exhibit 10.2 to the Form 10-Q for the quarter ended February 12, 2000.

*10.10 AutoZone, Inc. Executive Deferred Compensation Plan. Incorporated by reference to Exhibit 10.3 to the Form 10-Q for the quarter ended February 12, 2000.

*10.11 Form of Demand Promissory Note granted by certain executive officers in favor of AutoZone, Inc.**

*10.12 Form of Demand Promissory Note granted by certain executive officers in favor of AutoZone, Inc. Incorporated by reference to Exhibit 10.1 to the Form 10-Q for the quarter ended February 12, 2000.

*10.13 Form of Amended and Restated Employment and Non-Compete Agreement between AutoZone, Inc. and various executive officers. Incorporated by reference to Exhibit 10.1 to the Form 10-Q for the quarter ended November 22, 1999.

*10.14 Form of Employment and Non-Compete Agreement between AutoZone, Inc. and various executive officers. Incorporated by reference to Exhibit 10.2 to the Form 10-Q for the quarter ended November 22, 1999.

*10.15 Form of Employment and Non-Compete Agreement between AutoZone, Inc., and various executive officers. Incorporated by reference to Exhibit 10.3 to the Form 10-Q for the quarter ended November 22, 1999.

*10.16 Form of Employment and Non-compete Agreement between AutoZone, Inc., and Anthony Dean Rose, Jr. Incorporated by reference to Exhibit 10.4 to the Form 10-Q for the quarter ended November 22, 1999.

*10.17 AutoZone Management Stock Ownership Plan. Incorporated by reference to Exhibit 10.6 to the Form 10-Q for the quarter ended November 22, 1999.

*10.18 Form of Demand Promissory Note granted by certain officers in favor of AutoZone, Inc. Incorporated by reference to Exhibit 10.7 to the Form 10-Q for the quarter ended November 22, 1999.

13.1 Excerpts from the Annual Report to Stockholders for the fiscal year ended August 26, 2000.

21.1 Subsidiaries of the Registrant.**

23.1 Consent of Ernst & Young LLP.

27.1 Financial Data Schedule (SEC Use Only).**

*Management contract or compensatory plan or arrangement.
**Previously filed.

(b) Reports on Form 8-K.

The Company filed a Current Report on Form 8-K dated May 22, 2000, which contained a press release announcing the Company's financial results for the quarter ended May 6, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AUTOZONE, INC.

By: /s/ Harry L. Goldsmith
Harry L. Goldsmith
Senior Vice President
& Secretary

Dated: March 4, 2002

SCHEDULE II

AUTOZONE, INC.

VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

COL A	COL B	COL C - ADDITIONS		COL D	COL E
		(1)	(2)		
DESCRIPTION	Balance Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-Describe	Deductions-Describe	Balance at End of Period
Year Ended August 29, 1998:					
Reserve for warranty claims	$19,122	$58,511		$56,847 (1)	$20,786
Other reserves	11,227				14,296
Year Ended August 28, 1999:					
Reserve for warranty claims	$20,786	$90,310	$3,473 (2)	$81,619 (1)	$32,950
Other reserves	14,296				94,640 (3)
Year Ended August 26, 2000:					
Reserve for warranty claims	$32,950	$100,381		$83,317 (1)	$50,014
Other reserves	94,640				57,585 (3)

(1) Cost of product for warranty replacements, net of salvage and amounts collected from customers.

(2) Purchase accounting adjustments related to acquisition of Chief Auto Parts Inc.

(3) Amount includes items classified in other accrued expenses and other long-term liabilities.

EXHIBIT INDEX

The following exhibits are filed as a part of this report:

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*Management contract or compensatory plan or arrangement.
**Previously filed.

The following pages are excerpted from AutoZone, Inc.'s Annual Report to Stockholders for the fiscal year ended August 26, 2000.

Ten-Year Review

(in thousands, except per share data and selected operating data)

		5-Year Compound Growth	10-Year Compound Growth	2000	1999
Income Statement Data	Net sales	20%	21%	$4,482,696	$4,116,392
	Cost of sales, including warehouse and delivery expenses			2,602,386	2,384,970
	Operating, selling, general and administrative expenses			1,368,290	1,298,327
	Operating profit	18%	26%	512,020	433,095
	Interest income (expense) - net			(76,830)	(45,312)
	Income before income taxes	14%	27%	435,190	387,783
	Income taxes			167,600	143,000
	Net income	14%	28%	$ 267,590	$ 244,783
	Diluted earnings per share	17%	27%	$ 2.00	$ 1.63
	Adjusted weighted average shares for diluted earnings per share			133,869	150,257
Balance Sheet Data	Current assets			$1,186,780	$1,225,084
	Working capital			152,236	224,530
	Total assets			3,333,218	3,284,767
	Current liabilities			1,034,544	1,000,554
	Debt			1,249,937	888,340
	Stockholders' equity			992,179	1,323,801
Selected Operating Data	Number of domestic auto parts stores at beginning of year			2,711	2,657
	New stores			208	245
	Replacement stores			30	59
	Closed stores			4	191
	Net new stores			204	54
	Number of domestic auto parts stores at end of year			2,915	2,711
	Total domestic auto parts store square footage (000's)			18,719	17,405
	Percentage increase in domestic auto parts store square footage			8%	5%
	Percentage increase in domestic auto parts comparable store net sales (1)			5%	5%
	Average net sales per domestic auto parts store (000's)			$ 1,517	$ 1,465
	Average net sales per domestic auto parts store square foot			$ 236	$ 232
	Total employment			43,164	40,483
	Gross profit - percentage of sales			41.9%	42.1%
	Operating profit - percentage of sales			11.4%	10.5%
	Net income - percentage of sales			6.0%	5.9%
	Debt-to-capital - percentage			55.7%	40.2%
	Inventory turnover			2.32x	2.28x
	Return on average equity			23%	19%

* 53 weeks. Comparable store sales, average net sales per store and average net sales per store square foot for fiscal year 1996 and 1991 have been adjusted to exclude net sales for the 53rd week.

(1) Comparable same store sales for fiscal years 1994 through 2000 are based on increase in sales for domestic auto parts stores open at least one year. All other periods are increases in sales for stores open since the beginning of the preceding fiscal year.

		Fiscal Year Ended August							
	1998	1997	1996*	1995	1994	1993	1992	1991*	1990
Net sales	$ 3,242,922	$2,691,440	$2,242,633	$1,808,131	$1,508,029	$1,216,793	$1,002,327	$817,962	$671,725
Cost of sales, including warehouse and delivery expenses	1,889,847	1,559,296	1,307,638	1,057,033	886,068	731,971	602,956	491,261	416,846
Operating, selling, general and administrative expenses	970,768	810,793	666,061	523,440	431,219	344,060	295,701	247,355	205,609
Operating profit	382,307	321,351	268,934	227,658	190,742	140,762	103,670	79,346	49,270
Interest income (expense) - net	(18,204)	(8,843)	(1,969)	623	2,244	2,473	818	(7,295)	(10,936)
Income before income taxes	364,103	312,508	266,965	228,281	192,986	143,235	104,488	72,051	38,334
Income taxes	136,200	117,500	99,800	89,500	76,600	56,300	41,200	27,900	14,840
Net income	$ 227,903	$ 195,008	$ 167,165	$ 138,781	$ 116,386	$ 86,935	$ 63,288	$ 44,151	$ 23,494

$ 1.48	$ 1.28	$ 1.11	$ 0.93	$ 0.78	$ 0.59	$ 0.43	$ 0.33	$ 0.19
154,070	152,535	151,238	149,302	148,726	147,608	145,940	134,656	121,212
$ 1,117,090	$ 778,802	$ 613,097	$ 447,822	$ 424,402	$ 378,467	$ 279,350	$233,439	$191,736
257,261	186,350	219	30,273	85,373	92,331	72,270	55,807	26,803
2,748,113	1,884,017	1,498,397	1,111,778	882,102	696,547	501,048	397,776	327,368
859,829	592,452	612,878	417,549	339,029	286,136	207,080	177,632	164,933
545,067	198,400	94,400	13,503	4,252	4,458	7,057	7,246	74,851
1,302,057	1,075,208	865,582	684,710	528,377	396,613	278,120	204,628	80,356
1,728	1,423	1,143	933	783	678	598	538	504
952	308	280	210	151	107	82	60	38
12	17	31	29	20	20	14	4	7
23	3	0	0	1	2	2	0	4
929	305	280	210	150	105	80	60	34
2,657	1,728	1,423	1,143	933	783	678	598	538
16,499	11,611	9,437	7,480	5,949	4,839	4,043	3,458	3,031
42%	23%	26%	26%	23%	20%	17%	14%	10%
3%	9%	7%	7%	10%	9%	15%	12%	13%
$ 1,568	$ 1,691	$ 1,702	$ 1,742	$ 1,758	$ 1,666	$ 1,570	$ 1,408	$ 1,289
$ 238	$ 253	$ 258	$ 269	$ 280	$ 274	$ 267	$ 246	$ 232
38,526	28,700	26,800	20,200	17,400	15,700	13,200	11,700	9,300
41.7%	42.0%	41.7%	41.5%	41.2%	39.8%	39.8%	39.9%	37.9%
11.8%	11.9%	12.0%	12.6%	12.6%	11.5%	10.3%	9.7%	7.3%
7.0%	7.2%	7.5%	7.7%	7.7%	7.1%	6.3%	5.4%	3.5%
29.5%	15.6%	9.8%	1.9%	0.8%	1.1%	2.5%	3.4%	48.2%
2.26x	2.46x	2.73x	2.90x	2.98x	3.19x	2.99x	2.57x	2.44x
19%	20%	22%	23%	25%	26%	26%	31%	35%

Quarterly Summary
(Unaudited)

	Twelve Weeks Ended			Sixteen Weeks Ended
	(in thousands, except per share data)			
	November 20, 1999	**February 12, 2000**	**May 6, 2000**	**August 26, 2000**
Net sales	$1,006,472	$924,164	$1,059,415	$1,492,645
Increase in comparable store sales	7%	4%	6%	3%
Gross profit	$ 421,516	$388,427	$ 449,918	$ 620,449
Operating profit	105,748	80,013	126,684	199,575
Income before income taxes	91,144	63,561	109,265	171,220
Net income	56,044	39,061	67,265	105,220
Basic earnings per share	0.40	0.28	0.50	0.85
Diluted earnings per share	0.40	0.28	0.50	0.84
Stock price range:				
High	$ 29.81	$ 32.31	$ 29.75	$ 29.00
Low	$ 23.69	$ 23.25	$ 21.13	$ 21.75
	November 21, 1998	**February 13, 1999**	**May 8, 1999**	**August 28, 1999**
Net sales	$900,949	$852,538	$970,236	$1,392,669
Increase in comparable store sales	3%	9%	6%	5%
Gross profit	$376,482	$353,493	$408,933	$ 592,514
Operating profit	89,815	67,273	104,312	171,695
Income before income taxes	81,300	57,039	93,135	156,309
Net income	51,300	36,039	58,735	98,709
Basic earnings per share	0.34	0.24	0.39	0.67
Diluted earnings per share	0.34	0.24	0.39	0.67
Stock price range:				
High	$ 29.50	$ 35.00	$ 37.06	$ 33.31
Low	$ 21.50	$ 29.69	$ 28.38	$ 23.13

Financial Review

The following table sets forth income statement data of the Company expressed as a percentage of net sales for the periods indicated:

	Fiscal Year Ended		
	August 26, 2000	**August 28, 1999**	**August 29, 1998**

Net sales	100.0%	100.0%	100.0%
Cost of sales, including warehouse and delivery expenses	58.1	57.9	58.3
Gross profit	41.9	42.1	41.7
Operating, selling, general and administrative expenses	30.5	31.6	29.9
Operating profit	11.4	10.5	11.8
Interest expense - net	1.7	1.1	0.6
Income taxes	3.7	3.5	4.2
Net income	6.0%	5.9%	7.0%

Results of Operations

For an understanding of the significant factors that influenced the Company's performance during the past three fiscal years, the following Financial Review should be read in conjunction with the consolidated financial statements presented in this annual report.

Fiscal 2000 Compared to Fiscal 1999

Net sales for fiscal 2000 increased by $366.3 million or 8.9% over net sales for fiscal 1999. Same store sales, or sales for domestic auto parts stores opened at least one year, increased 5%. As of August 26, 2000, the Company had 2,915 domestic auto parts stores in operation compared with 2,711 at August 28, 1999.

Gross profit for fiscal 2000 was $1.88 billion, or 41.9% of net sales, compared with $1.73 billion, or 42.1% of net sales for fiscal 1999. The decrease in gross profit percentage was primarily due to an increase in warranty expense.

Operating, selling, general and administrative expenses for fiscal 2000 increased by $70.0 million over such expenses for fiscal 1999 and decreased as a percentage of net sales from 31.6% to 30.5%. The decrease in the expense ratio was primarily due to leverage of payroll and occupancy costs in acquired stores coupled with the absence of acquisition related remodeling and remerchandising activities in fiscal 2000.

Net interest expense for fiscal 2000 was $76.8 million compared with $45.3 million for fiscal 1999. The increase in interest expense is due to higher levels of borrowings as a result of stock repurchases and higher interest rates.

AutoZone's effective income tax rate was 38.5% of pre-tax income for fiscal 2000 and 36.9% for fiscal 1999. The fiscal 1999 effective tax rate reflects the utilization of acquired company net operating loss carryforwards.

Fiscal 1999 Compared to Fiscal 1998

Net sales for fiscal 1999 increased by $873.5 million or 26.9% over net sales for fiscal 1998. Same store sales, or sales for domestic auto parts stores opened at least one year, increased 5%. Our new stores, including acquired stores, contributed $640.9 million to the increase in net sales for the fiscal year. As of August 28, 1999, the Company had 2,711 domestic auto parts stores in operation compared with 2,657 at August 29, 1998.

Gross profit for fiscal 1999 was $1.73 billion, or 42.1% of net sales, compared with $1.35 billion, or 41.7% of net sales for fiscal 1998. The increase in gross profit percentage was due primarily to lower battery and commodity gross margins in the prior year offset by acquisition integration distribution costs.

Operating, selling, general and administrative expenses for fiscal 1999 increased by $327.6 million over such expenses for fiscal 1998 and increased as a percentage of net sales from 29.9% to 31.6%. The increase in the expense ratio was primarily due to higher payroll and occupancy costs principally in recently acquired stores, and approximately $25 million in remodeling and remerchandising activities in acquired stores.

Net interest expense for fiscal 1999 was $45.3 million compared with $18.2 million for fiscal 1998. The increase in interest expense was primarily due to higher levels of borrowings as a result of acquisitions and stock repurchases.

AutoZone's effective income tax rate was 36.9% of pre-tax income for fiscal 1999 and 37.4% for fiscal 1998. The decline in the effective tax rate is due to the utilization of acquired company net operating loss carryforwards.

Financial Market Risk

Financial market risks relating to the Company's operations result primarily from changes in interest rates. The Company enters into interest rate swaps to minimize the risk associated with its financing activities. The swap agreements are contracts to exchange fixed or variable rates for floating interest rate payments periodically over the life of the instruments.

Liquidity and Capital Resources

The Company's primary capital requirements have been the funding of its continued new store expansion program, inventory requirements and, more recently, stock repurchases. The Company has opened or acquired 1,772 net new domestic auto parts stores from the beginning of fiscal 1996 to August 26, 2000. Cash flow generated from store operations provides the Company with a significant source of liquidity. Net cash provided by operating activities was $513.0 million in fiscal 2000, $311.7 million in fiscal 1999, and $383.0 million in fiscal 1998.

The Company invested $249.7 million in capital assets in fiscal 2000. In fiscal 1999, the Company invested $428.3 million in capital assets including approximately $108 million for real estate and real estate leases purchased from Pep Boys. In fiscal 1998, the Company invested $337.2 million in capital assets and had a net cash outlay of $365.5 million for acquisitions including the retirement of the acquired

companies' debt. Acquisitions included Chief Auto Parts, with stores primarily in California, Auto Palace, with stores primarily in the Northeast, and a truck parts chain, TruckPro. In fiscal 2000, the Company opened 208 new auto parts stores in the U.S. and 7 in Mexico, replaced 30 U.S. stores and closed 4 U.S. stores. In addition, the Company opened 3 new TruckPro stores and relocated 5 stores. Construction commitments totaled approximately $44 million at August 26, 2000.

The Company's new store development program requires significant working capital, predominantly for inventories. Historically, the Company has negotiated extended payment terms from suppliers, minimizing the working capital required by expansion. The Company believes that it will be able to continue financing much of its inventory growth through favorable payment terms from suppliers, but there can be no assurance that the Company will be successful in obtaining such terms.

In November 1998, the Company sold $150 million of 6% Notes due November 2003, at a discount. Interest on the Notes is payable semi-annually on May 1 and November 1 each year. In July 1998, the Company sold $200 million of 6.5% Debentures due July 2008, at a discount. Interest on the Debentures is payable semi-annually on January 15 and July 15 of each year. The Debentures may be redeemed at any time at the option of the Company in whole or in part. Proceeds from the Notes and Debentures were used to repay portions of the Company's long-term variable rate bank debt and for general corporate purposes. In July 2000, the Company purchased $10 million of its 6.5% Debentures, due July 2008, resulting in a $1.9 million gain.

The Company has a commercial paper program that allows borrowing up to $1.3 billion. In connection with the program, the Company has a 5-year credit facility with a group of banks for up to $650 million that expires in May 2005, and a 364-day $650 million credit facility with another group of banks. The 364-day facility includes a renewal feature as well as an option to extinguish the then-outstanding debt one year from the maturity date. Borrowings under the commercial paper program reduce availability under the credit facilities. Commercial paper borrowings at August 26, 2000, are classified as long-term debt as the Company has the ability and intention to refinance them on a long-term basis. The Company has agreed to observe certain covenants under the terms of its credit agreements, including limitations on total indebtedness, restrictions on liens and minimum fixed charge coverage.

Subsequent to the end of the fiscal year, the Company entered into financing arrangements totaling $150 million with maturity dates ranging from November 2000 to March 2001 and interest rates ranging from 6.94% to 7.44%.

As of August 26, 2000, the Board of Directors had authorized the Company to repurchase $1.25 billion of common stock in the open market. From January 1998 to August 26, 2000, the Company had repurchased approximately $870.9 million of common stock. The impact of the stock repurchase program in fiscal 2000 was an increase in earnings per share of $.07. Subsequent to year-end, the Company repurchased 4.5 million shares in settlement of certain equity instrument contracts at an average cost of $26.54 per share.

The Company anticipates that it will rely primarily on internally generated funds to support a majority of its capital expenditures, working capital requirements and stock repurchases. The balance will be funded through borrowings. The Company anticipates that it will be able to obtain such financing in view of its credit rating and favorable experiences in the debt market in the past. In addition to the available credit lines mentioned above, the Company may sell up to $50 million of debt or equity securities under shelf registration statements filed with the Securities and Exchange Commission.

Inflation

The Company does not believe its operations have been materially affected by inflation. The Company has been successful, in many cases, in mitigating the effects of merchandise cost increases principally through economies of scale resulting from increased volumes of purchases, selective forward buying and the use of alternative suppliers.

Seasonality and Quarterly Periods

The Company's business is somewhat seasonal in nature, with the highest sales occurring in the summer months of June through August, in which average weekly per store sales historically have been about 15% to 25% higher than in the slowest months of December through February. The Company's business is also affected by weather conditions. Extremely hot or extremely cold weather tends to enhance sales by causing parts to fail and spurring sales of seasonal products. Mild or rainy weather tends to soften sales as parts' failure rates are lower in mild weather and elective maintenance is deferred during periods of rainy weather.

Each of the first three quarters of AutoZone's fiscal year consists of twelve weeks and the fourth quarter consists of sixteen weeks. Because the fourth quarter contains the seasonally high sales volume and consists of sixteen weeks, compared to twelve weeks for each of the first three quarters, the Company's fourth quarter represents a disproportionate share of the annual net sales and net income. The fourth quarter of fiscal 2000 represented 33.3% of annual net sales and 39.3% of net income; the fourth quarter of fiscal 1999 represented 33.8% of annual net sales and 40.3% of net income.

Forward-Looking Statements

Certain statements contained in the Financial Review and elsewhere in this annual report 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, the ability to hire and retain qualified employees, consumer debt levels, inflation and the weather. Actual results may materially differ from anticipated results. For more information, please see the Risk Factors section of the Company's most recent Form 10-K as filed with the Securities and Exchange Commission.

Consolidated Statements of Income

	Year Ended (52 Weeks)		
	August 26,	**August 28,**	**August 29,**

	2000	1999	1998
	(in thousands, except per share data)		
Net sales	$4,482,696	$4,116,392	$3,242,922
Cost of sales, including warehouse and delivery expenses	2,602,386	2,384,970	1,889,847
Operating, selling, general and administrative expenses	1,368,290	1,298,327	970,768
Operating profit	512,020	433,095	382,307
Interest expense - net	76,830	45,312	18,204
Income before income taxes	435,190	387,783	364,103
Income taxes	167,600	143,000	136,200
Net income	$ 267,590	$ 244,783	$ 227,903
Weighted average shares for basic earnings per share	132,945	149,014	152,160
Effect of dilutive stock equivalents	924	1,243	1,910
Adjusted weighted average shares for diluted earnings per share	133,869	150,257	154,070
Basic earnings per share	$ 2.01	$ 1.64	$ 1.50
Diluted earnings per share	$ 2.00	$ 1.63	$ 1.48

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

	August 26, 2000	August 28, 1999
	(in thousands, except per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 6,969	$ 5,918
Accounts receivable	21,407	25,917
Merchandise inventories	1,108,978	1,129,693
Prepaid expenses	30,214	33,468
Deferred income taxes	19,212	30,088
Total current assets	1,186,780	1,225,084
Property and equipment:		
Land	458,217	390,920
Buildings and improvements	1,149,900	1,003,308
Equipment	484,967	438,855
Leasehold improvements and interests	117,452	102,646
Construction in progress	109,840	153,323
	2,320,376	2,089,052
Less accumulated depreciation and amortization	561,936	450,566
	1,758,440	1,638,486
Other assets:		
Cost in excess of net assets acquired, net of accumulated amortization of $24,192 in 2000, and $15,375 in 1999	324,494	337,261
Deferred income taxes	52,182	76,412
Other assets	11,322	7,524
	387,998	421,197
	$3,333,218	$3,284,767
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 788,825	$ 757,447
Accrued expenses	227,682	230,036
Income taxes payable	18,037	13,071
Total current liabilities	1,034,544	1,000,554
Long-term debt	1,249,937	888,340
Other liabilities	56,558	72,072
Commitments and contingencies (See notes H and I)		
Stockholders' equity:		
Preferred stock, authorized 1,000 shares; no shares issued		
Common stock, par value $.01 per share, authorized 200,000 shares; 154,328 shares issued and 121,510 shares outstanding in 2000 and 153,963 shares issued and 144,353 shares outstanding in 1999	1,543	1,540

Additional paid-in-capital	301,901	289,084
Notes receivable from officers	(4,463)	
Retained earnings	1,564,118	1,296,528
Accumulated other comprehensive loss	(5)	(3)
Treasury stock, at cost	(870,915)	(263,348)
Total stockholders' equity	992,179	1,323,801
	$3,333,218	$3,284,767

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

	Year Ended (52 Weeks)		
	August 26, 2000	**August 28, 1999**	**August 29, 1998**
		(in thousands)	
Cash flows from operating activities:			
Net income	$ 267,590	$ 244,783	$ 227,903
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and equipment	117,932	122,221	95,464
Amortization of intangible and other assets	8,868	6,310	1,135
Deferred income tax expense	39,338	42,929	20,241
Income tax benefit realized from exercise of options	4,050	4,300	16,200
Net change in accounts receivable and prepaid expenses	7,764	20,399	(15,260)
Net change in merchandise inventories	20,715	(201,553)	(47,285)
Net increase in accounts payable and accrued expenses	61,382	70,304	127,683
Net change in income taxes payable and receivable	4,966	13,367	(22,230)
Net change in other assets and liabilities	(19,645)	(11,392)	(20,813)
Net cash provided by operating activities	512,960	311,668	383,038
Cash flows from investing activities:			
Acquisitions			(100,031)
Capital expenditures and real estate purchased from Pep Boys	(249,657)	(428,315)	(337,202)
Disposal of capital assets	11,771		
Notes receivable from officers	(4,463)		
Net cash used in investing activities	(242,349)	(428,315)	(437,233)
Cash flows from financing activities:			
Repayment of acquired companies' debt			(265,429)
Increase in commercial paper	234,300	228,00	305,000
Proceeds from debentures/notes		148,913	197,751
Net increase (decrease) in unsecured bank loans	120,000	(34,050)	(164,350)
Net proceeds from sale of common stock	5,455	7,266	11,492
Purchase of treasury stock	(639,925)	(234,602)	(28,746)
Other	10,610	407	173
Net cash provided by (used in) financing activities	(269,560)	115,934	55,891
Net increase (decrease) in cash and cash equivalents	1,051	(713)	1,696
Cash and cash equivalents at beginning of year	5,918	6,631	4,668
Cash provided by acquisitions			267
Cash and cash equivalents at end of year	$ 6,969	$ 5,918	$ 6,631
Supplemental cash flow information:			
Interest paid, net of interest cost capitalized	$ 74,745	$ 41,533	$ 17,042
Income taxes paid	$ 123,036	$ 93,073	$ 122,529

See Notes to Consolidated Financial Statements.

Consolidated Statements of Stockholders' Equity

	Common Stock	**Additional Paid-in Capital**	**Notes Receivable**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total**
				(in thousands)			
Balance at August 30, 1997	$1,513	$249,853	$	$ 823,842	$	$	$1,075,208
Net income				227,903			227,903

Comprehensive income							227,903
Purchase of 953 shares of treasury stock						(28,746)	(28,746)
Sale of 1,726 shares of common stock under stock option and stock purchase plans	17	11,475					11,492
Tax benefit of exercise of stock options		16,200					16,200
Balance at August 29, 1998	1,530	277,528		1,051,745		(28,746)	1,302,057
Net income				244,783			244,783
Foreign currency translation adjustment					(3)		(3)
Comprehensive income							244,780
Purchase of 8,657 shares of treasury stock						(234,602)	(234,602)
Sale of 924 shares of common stock under stock option and stock purchase plans	10	7,256					7,266
Tax benefit of exercise of stock options		4,300					4,300
Balance at August 28, 1999	1,540	289,084		1,296,528	(3)	(263,348)	1,323,801
Net income				267,590			267,590
Foreign currency translation adjustment					(2)		(2)
Comprehensive income							267,588
Issuance of Notes Receivable from officers			(4,463)				(4,463)
Purchase of 23,208 shares of treasury stock		3,315				(607,567)	(604,252)
Sale of 361 shares of common stock under stock option and stock purchase plans	3	5,452					5,455
Tax benefit of exercise of stock options		4,050					4,050
Balance at August 26, 2000	$1,543	$301,901	$(4,463)	$1,564,118	$ (5)	$(870,915)	$ 992,179

See Notes to Consolidated Financial Statements

Notes To Consolidated Financial Statements

Note A - Significant Accounting Policies

Business: The Company is principally a specialty retailer of automotive parts and accessories. At the end of fiscal 2000, the Company operated 2,915 domestic auto parts stores in 42 states and 13 auto parts stores in Mexico. In addition, the Company sells heavy duty truck parts and accessories through its 49 TruckPro stores in 15 states, automotive diagnostic and repair software through ALLDATA and diagnostic and repair information through alldatadiy.com.

Fiscal Year: The Company's fiscal year consists of 52 or 53 weeks ending on the last Saturday in August.

Basis of Presentation: The consolidated financial statements include the accounts of AutoZone, Inc. and its wholly owned subsidiaries (the Company). All significant intercompany transactions and balances have been eliminated in consolidation.

Merchandise Inventories: Inventories are stated at the lower of cost or market using the last-in, first-out (LIFO) method.

Property and Equipment: Property and equipment is stated at cost. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets. Leasehold interests and improvements are amortized over the terms of the leases.

Intangible Assets: The cost in excess of fair value of net assets of businesses acquired is recorded as goodwill and is amortized on a straight-line basis over 40 years. The Company continually evaluates the carrying value of goodwill. Any impairments would be recognized when the expected future undiscounted operating cash flows derived from such goodwill is less than its carrying value.

Preopening Expenses: Preopening expenses, which consist primarily of payroll and occupancy costs, are expensed as incurred.

Advertising Costs: The Company expenses advertising costs as incurred. Advertising expense, net of vendor rebates, was approximately $14,445,000 in fiscal 2000, $21,857,000 in fiscal 1999 and $30,109,000 in fiscal 1998.

Warranty Costs: The Company provides the consumer with a warranty on certain products. Estimated warranty obligations are provided at the time of sale of the product.

Financial Instruments: The Company has certain financial instruments which include cash, accounts receivable and accounts payable. The carrying amounts of these financial instruments approximate fair value because of their short maturities. The Company uses derivative financial instruments for purposes other than trading to minimize the risk associated with financing activities. Settlements of interest rate swaps are accounted for by recording the net interest received or paid as an adjustment to interest expense. Gains or losses resulting from market movements are not recognized. Contracts that effectively meet risk reduction and correlation criteria are recorded using hedge accounting. Hedges of anticipated transactions are deferred and recognized when the hedged transaction occurs. Gains or losses resulting from equity instrument contracts are recognized through stockholders' equity when they are settled.

Income Taxes: The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Cash Equivalents: Cash equivalents consist of investments with maturities of 90 days or less at the date of purchase.

Use of Estimates: Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates.

Earnings Per Share: Basic earnings per share is based on the weighted average outstanding common shares. Diluted earnings per share is based on the weighted average outstanding shares adjusted for the effect of common stock equivalents.

Revenue Recognition: The Company recognizes sales revenue at the time the sale is made.

Impairment of Long-Lived Assets: The Company complies with Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This statement requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Also, in general, long-lived assets and certain identifiable intangibles to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Comprehensive Income: The Company reports comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income." Other comprehensive income includes foreign currency translation adjustments.

Disclosures about Segments of an Enterprise and Related Information: The Company reports segment information in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information."

Pensions and other Postretirement Benefits: The Company reports pension and other postretirement benefits in accordance with SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits."

Internal use Software Costs: The Company complies with Statement of Position (SOP) 98-1, "Accounting for the Costs of Developing or Obtaining Internal Use Software." This SOP requires the capitalization of certain costs incurred in connection with developing or obtaining software for internal-use. SOP 98-1 did not have a material impact on the Company's results of operations or financial position.

Derivative Instruments and Hedging Activities: During 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to record derivative instruments on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of a derivative would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. In September 1999, the FASB issued SFAS No. 137, which delayed the effective date of SFAS No. 133 to the Company's fiscal year 2001. Because of the Company's minimal historical use of derivatives, management anticipates that the adoption of SFAS No. 133 will not have a significant effect on earnings or the financial position of the Company.

Additionally, In June 2000, the Financial Accounting Standards Board (FASB) issued SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities." SFAS No. 138 amends SFAS No. 133 and must be adopted concurrently with the Company's adoption of SFAS No. 133. The Company does not believe the amendment will affect its implementation of SFAS No. 133.

Reclassifications: Certain prior year amounts have been reclassified to conform with the fiscal 2000 presentation.

Note B - Accrued Expenses

Accrued expenses consist of the following:

	August 26, 2000	August 28, 1999
	(in thousands)	
Medical and casualty insurance claims	$ 54,970	$ 48,111
Accrued compensation and related payroll taxes	49,137	41,345
Property and sales taxes	33,341	48,181
Accrued warranty	50,182	32,950
Other	40,052	59,449
	$227,682	$230,036

Note C - Income Taxes

At August 26, 2000, the Company has net operating loss carryforwards (NOLs) of approximately $41 million that expire in years 2001 through 2017. These carryforwards resulted from the Company's acquisition of ALLDATA Corporation during fiscal 1996, Chief Auto Parts, Inc. and ADAP, Inc. (which had been doing business as "Auto Palace") in fiscal 1998. The use of the NOLs is limited to future taxable earnings of these companies and is subject to annual limitations. A valuation allowance of $9,297,000 in fiscal 2000 and $10,813,000 in fiscal 1999 relates to those carryforwards.

The provision for income tax expense consists of the following:

Year Ended

	August 26, 2000	August 28, 1999	August 29, 1998
		(in thousands)	
Current:			
Federal	$119,259	$ 90,018	$103,810
State	9,003	10,053	12,149
	128,262	100,071	115,959
Deferred:			
Federal	35,762	38,999	19,665
State	3,576	3,930	576
	39,338	42,929	20,241
	$167,600	$143,000	$136,200

Significant components of the Company's deferred tax assets and liabilities are as follows:

	August 26, 2000	August 28, 1999
	(in thousands)	
Deferred tax assets:		
Net operating loss and credit carryforwards	$20,191	$ 22,296
Insurance reserves	17,089	15,938
Warranty reserves	19,807	12,701
Accrued vacation	5,092	4,779
Closed store reserves	20,315	25,970
Inventory reserves	4,138	11,562
Legal reserves	5,298	4,263
Property and equipment		2,688
Other	6,735	22,469
	98,665	122,666
Less valuation allowance	9,297	10,813
	89,368	111,853
Deferred tax liabilities:		
Property and equipment	11,062	
Property taxes	6,912	5,353
	17,974	5,353
Net deferred tax assets	$71,394	$106,500

A reconciliation of the provision for income taxes to the amount computed by applying the federal statutory tax rate of 35% to income before income taxes is as follows:

	August 26, 2000	August 28, 1999	August 29, 1998
		(in thousands)	
Expected tax at statutory rate	$152,317	$135,724	$127,436
State income taxes, net	8,176	9,089	8,271
Other	7,107	(1,813)	493
	$167,600	$143,000	$136,200

Note D - Financing Arrangements

The Company's long-term debt as of August 26, 2000, and August 28, 1999, consisted of the following (in thousands):

	August 26, 2000	August 28, 1999
6% Notes due November 2003	$ 150,000	$150,000
6.5% Debentures due July 2008	190,000	200,000
Commercial paper, weighted average interest rate of 6.8% at August 26, 2000 and 5.4% at August 28, 1999	767,300	533,000
Unsecured bank loans	120,000	
Other	22,637	5,340

	$1,249,937	$888,340

In November 1998, the Company sold $150 million of 6% Notes due November 2003, at a discount. Interest on the Notes is payable semi-annually on May 1 and November 1 each year. In July 1998, the Company sold $200 million of 6.5% Debentures due July 2008, at a discount. Interest on the Debentures is payable semi-annually on January 15 and July 15 of each year. Proceeds from the Notes and Debentures were used to repay portions of the Company's long-term variable rate bank debt and for general corporate purposes. In July 2000, the Company purchased $10 million of its 6.5% Debentures due July 2008, resulting in a $1.9 million gain.

The Company has a commercial paper program that allows borrowing up to $1.3 billion. In connection with the program, the Company has a 5-year credit facility with a group of banks for up to $650 million that has been extended until May 2005, and a 364-day $650 million credit facility with another group of banks. The 364-day facility includes a renewal feature as well as an option to extinguish the then outstanding debt one year from the maturity date. Borrowings under the commercial paper program reduce availability under the credit facilities. Commercial paper borrowings at August 26, 2000, are classified as long-term debt as the Company has the ability and intention to refinance them on a long-term basis.

The rate of interest payable under the credit facilities is a function of the London Interbank Offered Rate (LIBOR), the lending bank's base rate (as defined in the agreement), or a competitive bid rate at the option of the Company. The Company has agreed to observe certain covenants under the terms of its credit agreements, including limitations on total indebtedness, restrictions on liens and minimum fixed charge coverage.

As of August 26, 2000, the Company had unsecured bank loans with maturity dates from August 2000 to September 2000 and interest rates ranging from 6.63% to 6.83%. Subsequent to the end of the fiscal year, the Company refinanced this debt with financing arrangements totaling $150 million with maturity dates ranging from November 2000 to March 2001 and interest rates ranging from 6.94% to 7.44%. The Company classifies its unsecured bank loans as long-term as it has the ability and intention to refinance them on a long-term basis.

All of the Company's long-term debt is unsecured, except for $17 million which is collateralized by property. Maturities of long-term debt are $237.3 million for fiscal 2002, $150 million for fiscal 2004 and $862.6 million thereafter.

Interest costs of $2,773,000 in fiscal 2000, $2,762,000 in fiscal 1999, and $2,280,000 in fiscal 1998 were capitalized.

The estimated fair value of the 6.5% Debentures and the 6% Notes, which are both publicly traded, was approximately $157 million and $136 million, respectively, based on the estimated market price at August 26, 2000. The estimated fair value of the 6.5% Debentures and the 6% Notes, which are both publicly traded, was approximately $184 million and $143 million, respectively, based on the estimated market price at August 28, 1999. The estimated fair values of all other long-term borrowings approximate their carrying values primarily because they are short-term or have variable interest rates.

Note E - Stock Repurchase Program

As of August 26, 2000, the Board of Directors had authorized the Company to repurchase up to $1.25 billion of common stock in the open market. In fiscal 2000, the Company repurchased 23.2 million shares of its common stock at an aggregate cost of $607.6 million. Since fiscal 1998, the Company has repurchased a total of 32.8 million shares at an aggregate cost of $870.9 million. At times, the Company utilizes equity instrument contracts to facilitate its repurchase of common stock. At August 26, 2000, the Company held equity instrument contracts that relate to the purchase of approximately 11.6 million shares of common stock at an average cost of $24.11 per share.

Subsequent to year-end, the Company repurchased 4.5 million shares in settlement of certain equity instrument contracts outstanding at August 26, 2000 at an average cost of $26.54 per share.

Note F - Employee Stock Plans

The Company has granted options to purchase common stock to certain employees and directors under various plans at prices equal to the market value of the stock on the dates the options were granted. Options generally become exercisable in a three to seven year period, and expire after 10 years. A summary of outstanding stock options is as follows:

	Wtd. Avg. Exercise Price	Number of Shares
Outstanding August 30, 1997	$19.84	10,599,254
Granted	31.13	1,692,272
Exercised	7.39	(1,738,882)
Canceled	25.40	(795,780)
Outstanding August 29, 1998	23.56	9,756,864
Granted	29.23	2,081,125
Exercised	12.87	(596,274)
Canceled	28.43	(741,309)
Outstanding August 28, 1999	24.95	10,500,406
Granted	25.96	1,960,256
Exercised	7.13	(520,186)
Canceled	28.27	(1,172,854)
Outstanding August 26, 2000	$25.64	10,767,622

The following table summarizes information about stock options outstanding at August 26, 2000:

		Options Outstanding		Options Exercisable	
Range of Exercise Price	No. of Options	Wtd. Avg. Exercise Price	Wtd. Avg. Contractual Life (in years)	No. of Options	Wtd. Avg. Exercise Price
$ 3.40 - 23.00	2,224,455	$18.51	5.55	1,025,257	$15.39
23.06 - 25.13	2,733,099	24.76	6.44	798,484	25.05
25.25 - 27.38	2,307,773	26.13	4.83	1,419,045	25.73
27.63 - 31.38	2,181,008	28.97	7.55	216,280	28.34
31.50 - 35.13	1,321,287	33.14	7.87	61,963	34.80
$ 3.40 - 35.13	10,767,622	$25.64	6.31	3,521,029	$22.89

Options to purchase 3,521,029 shares at August 26, 2000, 2,401,296 shares at August 28, 1999, and 1,942,510 shares at August 29, 1998, were exercisable. Shares reserved for future grants were 5,056,805 at August 26, 2000, 6,176,283 at August 28, 1999 and 2,699,468 at August 29, 1998.

Pro forma information is required by SFAS No. 123, "Accounting for Stock-Based Compensation." In accordance with the provisions of SFAS No. 123, the Company applies APB Opinion 25 and related interpretations in accounting for its stock option plans and accordingly, no compensation expense for stock options has been recognized. If the Company had elected to recognize compensation cost based on the fair value of the options granted at the grant date as prescribed in SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below. The effects of applying SFAS No. 123 and the results obtained through the use of the Black-Scholes option pricing model in this pro forma disclosure are not necessarily indicative of future amounts. SFAS No. 123 does not apply to awards prior to fiscal 1996.

	Year Ended		
	August 26, 2000	August 28, 1999	August 29, 1998
Net Income ($000)			
As reported	$267,590	$244,783	$227,903
Pro forma	$258,374	$234,898	$221,803
Basic earnings per share			
As reported	$ 2.01	$ 1.64	$ 1.50
Pro forma	$ 1.95	$ 1.58	$ 1.46
Diluted earnings per share			
As reported	$ 2.00	$ 1.63	$ 1.48
Pro forma	$ 1.93	$ 1.57	$ 1.44

The weighted-average fair value of the stock options granted during fiscal 2000 was $11.92, during fiscal 1999 was $12.74 and during fiscal 1998 was $12.17. The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted-average assumptions for grants in 2000, 1999 and 1998: expected price volatility of .34 to .37; risk-free interest rates ranging from 4.56 to 6.18 percent; and expected lives between 4.67 and 8.67 years.

The Company also has an employee stock purchase plan under which all eligible employees may purchase common stock at 85% of fair market value (determined quarterly) through regular payroll deductions. In fiscal 2000, maximum permitted annual purchases were increased from $4,000 to $15,000 per employee or 10% of compensation, whichever is less. Under the plan, 275,701 shares were sold in fiscal 2000 and 268,554 shares were sold in fiscal 1999. The Company repurchased 161,443 shares in fiscal 2000 and 210,525 shares in fiscal 1999 for sale under the plan. A total of 1,023,356 shares of common stock is reserved for future issuance under this plan.

During 1998, the Company adopted the 1998 Directors Stock Option Plan. Under the stock option plan, each non-employee director will receive an option to purchase 1,500 shares of common stock on January 1 of each year. In addition, as long as the non-employee director owns common stock valued at least equal to five times the value of the annual fee paid to such director, that director will receive an additional option to purchase 1,500 shares as of January 1 of each year. New directors receive options to purchase 3,000 shares.

In 1998, the Company adopted the Directors Compensation Plan. Under this plan, a director may receive no more than one-half of the annual and meeting fees immediately in cash, and the remainder of the fees must be taken in either common stock or the fees may be deferred in units with value equivalent to the value of shares of common stock as of the grant date ("stock appreciation rights").

Stock options that could potentially dilute basic earnings per share in the future, which were not included in the fully diluted computation because they would have been antidilutive, were 7,459,509 at August 26, 2000, 3,588,064 at August 28, 1999, and 261,575 at August 29, 1998.

Note G - Pension and Savings Plan

Substantially all full-time employees are covered by a defined benefit pension plan. The benefits are based on years of service and the employee's highest consecutive five-year average compensation.

The Company makes annual contributions in amounts at least equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974. The following table sets forth the plan's funded status and amounts recognized in the Company's financial statements (in thousands):

	August 26, 2000	August 28, 1999
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 64,863	$ 53,971
Service cost	9,778	8,022
Interest cost	4,523	3,727
Plan amendments	854	
Actuarial losses/(gains)	(12,897)	327
Benefits paid	(1,314)	(1,184)
Benefit obligation at end of year	65,807	64,863
Change in plan assets:		
Fair value of plan assets at beginning of year	54,763	54,565
Actual return on plan assets	2,851	3,488
Company contributions (refunds)	9,481	(1,741)
Benefits paid	(1,314)	(1,184)
Administrative expenses	(402)	(365)
Fair value of plan assets at end of year	65,379	54,763
Reconciliation of funded status:		
Funded status of the plan (underfunded)	(428)	(10,100)
Unrecognized net actuarial losses	768	11,037
Unamortized prior service cost	(3,869)	(5,329)
Accrued benefit cost	$ (3,529)	$ (4,392)

	August 26, 2000	August 28, 1999	August 29, 1998
Components of net periodic benefit cost:			
Service cost	$ 9,778	$ 8,022	$ 7,001
Interest cost	4,523	3,727	3,047
Expected return on plan assets	(5,617)	(5,001)	(4,090)
Amortization of prior service cost	(605)	(606)	(292)
Amortization of transition obligation			(118)
Recognized net actuarial losses	540	451	
	$ 8,619	$ 6,593	$ 5,548

The actuarial present value of the projected benefit obligation was determined using weighted-average discount rates of 8% at August 26, 2000 and 7% at August 28, 1999. The assumed increases in future compensation levels were generally 5-10% based on age in fiscal 2000, 1999 and 1998. The expected long-term rate of return on plan assets was 9.5% at August 26, 2000, August 28, 1999 and August 29, 1998. Prior service cost is amortized over the estimated average remaining service lives of the plan participants, and the unrecognized actuarial gain or loss is amortized over five years.

During fiscal 1998, the Company established a defined contribution plan ("401(k) plan") pursuant to Section 401(k) of the Internal Revenue Code. The 401(k) plan covers substantially all employees that meet the plan's service requirements. The Company makes matching contributions, on an annual basis, up to a specified percentage of employees' contributions as approved by the Board of Directors.

Note H - Leases

A portion of the Company's retail stores, distribution centers, and certain equipment are leased. Most of these leases include renewal options and some include options to purchase and provisions for percentage rent based on sales.

Rental expense was $95,715,000 for fiscal 2000, $96,150,000 for fiscal 1999, and $56,410,000 for fiscal 1998. Percentage rentals were insignificant.

Minimum annual rental commitments under non-cancelable operating leases are as follows at the end of fiscal 2000 (in thousands):

Year	Amount
2001	$116,674
2002	103,597
2003	88,648
2004	70,406
2005	54,179
Thereafter	182,969
	$616,473

Note I - Commitments and Contingencies

Construction commitments, primarily for new stores, totaled approximately $44 million at August 26, 2000.

AutoZone, Inc., is a defendant in a class action lawsuit entitled "Melvin Quinnie on behalf of all others similarly situated v. AutoZone, Inc., and DOES 1 through 100, inclusive" filed in the Superior Court of California, County of Los Angeles, in November 1998. The plaintiff claims that the defendants failed to pay overtime to store managers as required by California law and failed to pay terminated managers in a timely manner as required by California law. The plaintiff is seeking injunctive relief, restitution, statutory penalties, prejudgment interest, and reasonable attorneys' fees, expenses and costs. On April 3, 2000, the court certified the class as consisting of all AutoZone store managers, and Chief managers who became AutoZone employees in standardized stores on January 1, 1999, for their claims since January 1, 1999, only. The Company is unable to predict the outcome of this lawsuit at this time, but believes that the potential damages recoverable by any single plaintiff are minimal. However, if the plaintiff class were to prevail on all of its claims, the aggregate amount of damages could be substantial. The Company is vigorously defending against this action.

AutoZone, Inc., and its wholly-owned subsidiary, Chief Auto Parts Inc., are defendants in a purported class action lawsuit entitled "Paul D. Rusch, on behalf of all others similarly situated, v. Chief Auto Parts Inc., and AutoZone, Inc." filed in the Superior Court of California, County of Los Angeles, in May 1999. The plaintiffs claim that the defendants have failed to pay their store managers overtime pay from March 1997 to present. The plaintiffs are seeking back overtime pay, interest, an injunction against the defendants committing such practices in the future, costs and attorneys' fees. The Company is unable to predict the outcome of this lawsuit at this time, but believes that the potential damages recoverable by any single plaintiff are minimal. However, if the plaintiff class were to be certified and prevail on all of its claims, the aggregate amount of damages could be substantial. The Company is vigorously defending against this action.

AutoZone, Inc., is a defendant in a lawsuit entitled "Coalition for a Level Playing Field, L.L.C., et al., v. AutoZone, Inc., et al.", filed in the U.S. District Court for the Eastern District of New York on February 16, 2000. The case was filed by over 100 plaintiffs, which are principally automotive aftermarket warehouse distributors and jobbers, against eight defendants, which are principally automotive aftermarket parts retailers. The plaintiffs claim that the defendants have knowingly received volume discounts, rebates, slotting and other allowances, fees, free inventory, sham advertising and promotional payments, a share in the manufacturers' profits, and excessive payments for services purportedly performed for the manufacturers in violation of the Robinson-Patman Act. Plaintiffs seek approximately $1 billion in damages (including statutory trebling) and a permanent injunction prohibiting defendants from committing further violations of the Robinson-Patman Act and from opening up any further stores to compete with plaintiffs as long as defendants continue to violate the Act. The Company believes this suit to be without merit and will vigorously defend against it.

The Company currently, and from time to time, is involved in various other legal proceedings incidental to the conduct of its business. Although the amount of liability that may result from these proceedings cannot be ascertained, the Company does not currently believe that, in the aggregate, these other matters will result in liabilities material to the Company's financial condition or results of operations.

The Company is self-insured for workers' compensation, automobile, general and product liability losses. The Company is also self-insured for health care claims for eligible active employees. The Company maintains certain levels of stop loss coverage for each self-insured plan. Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported.

Note J - Business Combinations

In October 1998, the Company acquired real estate and real estate leases for 100 Express auto parts stores from Pep Boys for approximately $108 million.

In February 1998, the Company acquired ADAP, Inc. ("Auto Palace"). The acquisition added 112 automotive parts and accessories stores in the Northeast. In May 1998, the Company acquired the assets and liabilities of TruckPro, L.P., including the service mark "TruckPro." The 43 TruckPro stores in 14 states specialize in the sale of heavy duty truck parts.

Additionally, in June 1998, the Company acquired Chief for approximately $280 million, including the assumption of approximately $205 million of indebtedness. Chief operated 560 auto parts stores primarily in California.

Results of operations for acquisitions are included with the Company since the respective acquisition dates. The purchase method of accounting for acquisitions was utilized and, therefore, the acquired assets and liabilities were recorded at their estimated fair values at the date of acquisition. The goodwill associated with these transactions is being amortized over 40 years.

The fair value of assets and liabilities recorded as a result of the fiscal 1999 and 1998 transactions as well as fiscal 1999 purchase accounting adjustments are as follows (in thousands):

	Year Ended	
	August 28, 1999	**August 29, 1998**
Cash and cash equivalents	$	$ 267
Receivables		22,786
Inventories	(38,420)	209,829
Property and equipment	12,886	104,640
Goodwill	162,225	166,013
Deferred income taxes	83,955	56,388
Accounts payable	(992)	(106,947)
Accrued liabilities	(58,213)	(52,826)
Debt		(271,273)

Other	(53,441)	(28,846)
Total cash purchase price	$108,000	$ 100,031

The following unaudited pro forma results of operations assume that the fiscal 1998 acquisitions and the related financing transactions occurred at the beginning of the period presented.

	Year Ended
	August 29, 1998
	(in thousands, except per share data)
Net sales	$3,758,700
Net income	221,200
Diluted earnings per share	1.44

The pro forma financial information is presented for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the business combinations and related transactions been consummated as of the beginning of the period presented, nor is it necessarily indicative of future operating results.

During fiscal 1999, the Company recorded reserves for closed stores of approximately $75 million and charged lease and related costs of approximately $12 million in fiscal 2000 and $15 million in fiscal 1999 against these reserves.

Report of Independent Auditors

Stockholders
AutoZone, Inc.,

We have audited the accompanying consolidated balance sheets of AutoZone, Inc. as of August 26, 2000 and August 28, 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended August 26, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AutoZone, Inc. at August 26, 2000 and August 28, 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended August 26, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Memphis, Tennessee
September 19, 2000

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form10-K/A) of AutoZone, Inc. of our report dated September 19, 2000, included in the 2000 Annual Report to Stockholders of AutoZone, Inc.

Our audits also included the financial statement schedule of AutoZone, Inc. listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-42797) pertaining to the Amended and Restated AutoZone, Inc. Employee Stock Purchase Plan, the Registration Statement (Form S-8 and S-3 No. 33-41618) pertaining to the AutoZone, Inc. Amended and Restated Stock Option Plan, the Registration Statement (Form S-8 No. 333-88245) pertaining to the AutoZone, Inc. Second Amended and Restated 1996 Stock Option Plan, the Registration Statement (Form S-8 No. 333-88241) pertaining to the AutoZone, Inc. Second Amended and Restated Director Compensation Plan, the Registration Statement (Form S-8 No. 333-88243) pertaining to the AutoZone, Inc. Second Amended and Restated 1998 Director Stock Option Plan and the Registration Statement (Form S-3 No. 333-58565), of our report dated September 19, 2000, with respect to the consolidated financial statements and schedule of AutoZone, Inc. incorporated by reference in this Annual Report (Form 10-K/A) for the year ended August 26, 20 00.

/s/ Ernst & Young LLP

Memphis, Tennessee

March 1, 2002