

AUTOZONE INC
Form 10-Q/A
June 12, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended May 10, 2003, 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

(State or other jurisdiction of
incorporation or organization)

62-1482048

(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

(not applicable)

Former name, former address and former fiscal year, if changed since last report.

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 periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, \$.01 Par Value - 89,483,123 shares as of June 7, 2003.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AUTOZONE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(in thousands)

	May 10, 2003	August 31, 2002
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,638	\$ 6,498
Accounts receivable, net	44,780	23,782
Merchandise inventories, net	1,497,643	1,375,584
Prepaid expenses	22,183	11,690
Deferred income taxes	34,059	32,574
	<hr/>	<hr/>
Total current assets	1,605,303	1,450,128
Property and equipment		
Property and equipment	2,497,063	2,432,130

Edgar Filing: AUTOZONE INC - Form 10-Q/A

Less: Accumulated depreciation and amortization	825,146	770,402
	<u>1,671,917</u>	<u>1,661,728</u>
Other assets		
Cost in excess of net assets acquired	305,390	305,390
Deferred income taxes	61,448	60,304
Other assets	3,790	241
	<u>370,628</u>	<u>365,935</u>
	<u>\$3,647,848</u>	<u>\$3,477,791</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable	\$1,090,158	\$1,145,533
Accrued expenses	316,057	344,600
Income taxes payable	164,664	43,438
	<u>1,570,879</u>	<u>1,533,571</u>
Total current liabilities	1,570,879	1,533,571
Long term debt	1,419,967	1,194,517
Other liabilities	55,384	60,576
Stockholders' equity	601,618	689,127
	<u>\$3,647,848</u>	<u>\$3,477,791</u>

See Notes to Condensed Consolidated Financial Statements

AUTOZONE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(in thousands, except per share amounts)

	<u>Twelve Weeks Ended</u>		<u>Thirty-six Weeks Ended</u>	
	<u>May 10,</u>	<u>May 4,</u>	<u>May 10,</u>	<u>May 4,</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Net sales		\$1,224,810	\$3,627,776	\$3,482,173

	\$1,288,445			
Cost of sales, including warehouse and delivery expenses	689,622	682,826	1,983,564	1,949,153
Operating, selling, general and administrative expenses	376,940	359,551	1,086,505	1,073,934
Operating profit	221,883	182,433	557,707	459,086
Interest expense -- net	19,353	17,419	58,091	55,124
Income before income taxes	202,530	165,014	499,616	403,962
Income taxes	76,553	62,700	189,453	153,800
Net income	\$ 125,977	\$ 102,314	\$ 310,163	\$ 250,162
Weighted average shares for basic earnings per share	94,666	103,961	97,307	106,264
Effect of dilutive stock equivalents	2,145	2,683	2,163	2,751
Adjusted weighted average shares for diluted earnings per share	96,811	106,644	99,470	109,015
Basic earnings per share	\$ 1.33	\$ 0.98	\$ 3.19	\$ 2.35
Diluted earnings per share	\$ 1.30	\$ 0.96	\$ 3.12	\$ 2.29

See Notes to Condensed Consolidated Financial Statements

AUTOZONE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(in thousands)

Thirty-six Weeks Ended

May 10, 2003	May 4, 2002
-------------------------	------------------------

Cash flows from operating activities:

Edgar Filing: AUTOZONE INC - Form 10-Q/A

Net income	\$ 310,163	\$ 250,162
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	75,526	82,497
Net increase in merchandise inventories	(122,059)	(83,754)
Net increase in current liabilities	37,308	113,516
Income tax benefit from exercise of options	24,990	28,159
Other -- net	(47,985)	(1,724)
	<hr/>	<hr/>
Net cash provided by operating activities	277,943	388,856
Cash flows from investing activities:		
Capital expenditures	(98,800)	(81,845)
Proceeds from sale of business	--	25,723
Proceeds from disposal of capital assets	12,006	9,716
Notes receivable from officers	--	1,911
	<hr/>	<hr/>
Net cash used in investing activities	(86,794)	(44,495)
Cash flows from financing activities:		
Net proceeds from debt	225,450	25,732
Purchase of treasury stock	(444,558)	(412,442)
Net proceeds from sale of common stock	31,127	42,257
Other--net	(3,028)	77
	<hr/>	<hr/>
Net cash used in financing activities	(191,009)	(344,376)
	<hr/>	<hr/>
Net change in cash and cash equivalents	140	(15)
Cash and cash equivalents at beginning of period	6,498	7,257
	<hr/>	<hr/>
Cash and cash equivalents at end of period	\$ 6,638	\$ 7,242
	<hr/>	<hr/>

See Notes to Condensed Consolidated Financial Statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note A-Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by

generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the thirty-six weeks ended May 10, 2003, are not necessarily indicative of the results that may be expected for the fiscal year ending August 30, 2003. For further information, refer to the consolidated financial statements and footnotes included in the Company's annual report on Form 10-K for the year ended August 31, 2002.

Note B-Adoption of New Accounting Standards

On September 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144). SFAS 144 supersedes Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," but retains many of its fundamental provisions. Additionally, SFAS 144 expands the scope of discontinued operations to include more disposal transactions. The adoption of SFAS 144 did not have a significant impact on the Company's Consolidated Financial Statements.

In November 2002 the Financial Accounting Standards Board issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN 45). FIN 45 elaborates on the disclosures that must be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees and indemnities. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002, and its recognition requirements are applicable for guarantees issued or modified after December 31, 2002. FIN 45 applies to product warranties offered by the Company. The Company does not expect the adoption of FIN 45 to have significant impact on its Consolidated Financial Statements. Refer to Note K for the Company's interim disclosures.

On December 31, 2002, the Company adopted Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS 146). SFAS 146 nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" and requires that a liability for the cost associated with an exit or disposal activity be recognized when the liability is incurred, as opposed to the date of an entity's commitment to an exit plan. The adoption of SFAS 146 did not have a significant impact on the Company's Consolidated Financial Statements.

On December 31, 2002, the Financial Accounting Standards Board issued Statement No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure" (SFAS 148). SFAS 148 amends Statement No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition to the Statement's fair value method of accounting for stock-based employee compensation. SFAS 148 also amends the disclosure provisions of SFAS 123 and APB Opinion No. 28, "Interim Financial Reporting," to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. Refer to Note C for the Company's interim disclosures.

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46). FIN 46 clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. FIN 46 applies to the Company's existing \$30 million synthetic lease facility, and will be effective for the

Company's first quarter in fiscal 2004. The Company is currently evaluating the impact of FIN 46 and does not expect its adoption to have a significant impact on its Consolidated Financial Statements.

In March 2003, the Emerging Issues Task Force (EITF) reached final consensus on EITF Issue No. 02-16, "Accounting by a Customer (including a Reseller) for Cash Consideration Received from a Vendor" (EITF 02-16). Under EITF 02-16, cash consideration received from a vendor is presumed to be a reduction of the purchase cost of merchandise and should be reflected as a reduction of cost of sales or revenue as prescribed in the consensus. The new guidance should be applied to new arrangements, including modifications of existing arrangements, entered into after December 31, 2002, to the extent vendor funds will be applied as a reduction of the purchase cost of inventories. During the quarter, the Company reflected the new guidance for new and modified vendor agreements. As a result, cost of sales was \$13.0 million less and operating, selling, general and administrative expenses were \$15.6 million higher as a result of the new guidance, resulting in a pretax charge of \$2.6 million (\$0.02 per share). The Company will continue to reflect the new guidance for all new and modified arrangements.

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" (SFAS 149). SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003, and should be applied prospectively. The Company does not expect the adoption of SFAS 149 to have a significant impact on its Consolidated Financial Statements.

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" (SFAS 150). SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of these instruments were previously classified as equity. SFAS 150 applies to the Company's use of equity forward agreements to repurchase common stock and would require the Company to record any forward purchase obligations as a liability on the balance sheet. The guidance in SFAS 150 is generally effective for all financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. Subsequent to the end of the quarter, the Company settled all outstanding forward purchase contracts and, therefore, does not expect the adoption of SFAS 150 to have a significant impact on its Consolidated Financial Statements.

Note C-Stock-Based Compensation

The Company has granted options to purchase common stock to some of its employees and directors under various plans, as described more fully in the Company's annual report on Form 10-K for the fiscal year ended August 31, 2002. The Company accounts for those plans under the recognition and measurement principles of APB Opinion No. 125, "Accounting for Stock Issued to Employees," and related interpretations. No stock-based employee compensation cost is reflected in net income, as options are typically granted under those plans at an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS 123 to stock-based employee compensation.

Edgar Filing: AUTOZONE INC - Form 10-Q/A

<i>(in thousands, except per share amounts)</i>	Twelve Weeks Ended		Thirty-six Weeks Ended	
	May 10, 2003	May 4, 2002	May 10, 2003	May 4, 2002
Net income, as reported	\$ 125,977	\$ 102,314	\$ 310,163	\$ 250,162
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(3,950)	(1,983)	(11,801)	(5,836)
Pro forma net income	\$ 122,027	\$ 100,331	\$ 298,362	\$ 244,326
Earnings per share				
Basic -- as reported	\$ 1.33	\$ 0.98	\$ 3.19	\$ 2.35
Basic -- pro forma	\$ 1.29	\$ 0.97	\$ 3.07	\$ 2.30
Diluted -- as reported	\$ 1.30	\$ 0.96	\$ 3.12	\$ 2.29
Diluted -- pro forma	\$ 1.26	\$ 0.94	\$ 3.00	\$ 2.24

Note D-Inventories

Inventories are stated at the lower of cost or market using the last-in, first-out (LIFO) method. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of expected year end inventory levels and costs. The balance of the LIFO reserve was zero for all periods presented.

Note E-Financing Arrangements

The Company's long term debt as of May 10, 2003, and August 31, 2002, consisted of the following:

Edgar Filing: AUTOZONE INC - Form 10-Q/A

<i>(in thousands)</i>	May 10, 2003	August 31, 2002
5.875% Senior Notes due 2012, effective interest rate of 6.33%	\$ 300,000	\$ --
6% Notes due November 2003	150,000	150,000
6.5% Debentures due 2008	190,000	190,000
7.99% Notes due 2006	150,000	150,000
Bank term loan due November 2004, interest rate of 2.47% at May 10, 2003, and 2.56% at August 31, 2002	350,000	350,000
Bank term loan due December 2003, interest rate of 3.11% at August 31, 2002	--	115,000
Commercial paper, weighted average rate of 1.4% at May 10, 2003, and 2.1% at August 31, 2002	265,000	223,200
Other	14,967	16,317
	\$1,419,967	\$1,194,517

The Company maintains \$950 million of revolving credit facilities with a group of banks. Of the \$950 million, \$300 million was scheduled to expire in May 2003 but, subsequent to the end of the quarter, was renewed for one year to May 18, 2004. The remaining \$650 million expires in May 2005. The 364-day facility expiring in May 2004 includes a renewal feature, as well as an option to extend the maturity date of the then-outstanding debt by one year. The credit facilities exist largely to support commercial paper borrowings and other short term unsecured bank loans. Outstanding commercial paper at May 10, 2003, of \$265.0 million and the 6% Notes due November 2003 are classified as long term 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 May 10, 2003, the Company was in compliance with all covenants.

On October 1, 2002, the Company filed a shelf registration with the Securities and Exchange Commission that allows the Company to sell up to \$500 million in debt securities. On October 16, 2002, the Company issued \$300 million of 5.875% Senior Notes under the registration statement. The Senior Notes mature in October 2012, and interest is payable semi-annually on April 15 and October 15. A portion of the proceeds from the Senior Notes was used to prepay a \$115 million unsecured bank term loan due December 2003 and to repay a portion of the Company's outstanding commercial paper borrowings.

On June 3, 2003, the Company issued \$200 million of 4.375% Senior Notes remaining under the shelf registration filed in October 2002. The Senior Notes mature in June 2013, and interest is payable semi-annually on

June 1 and December 1. The proceeds were used to repay a portion of the Company's outstanding commercial paper borrowings.

Note F-Stockholders' Equity

As of May 10, 2003, the Company's Board of Directors had authorized the Company to repurchase up to \$2.8 billion of common stock in the open market. Since fiscal 1998, the Company has repurchased a total of 66.2 million shares at an aggregate cost of \$2.4 billion. In addition to these purchases, at times, the Company has utilized equity forward contracts to facilitate its repurchase of common stock. At May 10, 2003, the Company held equity forward contracts that relate to the purchase of approximately 4.0 million shares of common stock at an average cost of \$73.69 per share, all of which were scheduled to mature in fiscal 2003. During fiscal 2003, the Company has repurchased \$589.9 million of common stock, including shares under forward purchase contracts. The Company, at its option, may settle the forward contracts in cash or common stock. The Company has historically settled all similar contracts in cash. In accordance with the provisions of Emerging Issues Task Force Issue 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," these contracts qualify as equity instruments and are not reflected in the Company's Consolidated Balance Sheets. Due to fluctuations in the Company's stock price, when the Company settles these forward contracts, the settlement price may be above or below the market price of the underlying common stock. Subsequent to the end of the quarter, the Company purchased 4.0 million shares in settlement of all remaining forward contracts outstanding at May 10, 2003, and as of June 7, 2003, the Company had purchased 0.7 million shares in the open market at an average cost of \$85 per share.

Note G-Comprehensive Income

Comprehensive income includes foreign currency translation adjustments and changes in the fair value of certain derivative financial instruments that qualify for cash flow hedge accounting. Comprehensive income for all periods presented is as follows:

<i>(in thousands)</i>	Twelve Weeks Ended		Thirty-six Weeks Ended	
	May 10, 2003	May 4, 2002	May 10, 2003	May 4, 2002
Reported net earnings	\$ 125,977	\$ 102,314	\$ 310,163	\$250,162
Foreign currency translation adjustment	2,403	(816)	(4,088)	(292)
Unrealized gain (loss) on derivative contracts, net of deferred taxes	(3,731)	1,403	(6,203)	(1,422)

Comprehensive income	\$ 124,649	\$ 299,872	\$ 248,448
----------------------	------------	------------	------------

Note H-Restructuring and Impairment Charges

In fiscal 2001, AutoZone recorded restructuring and impairment charges of \$156.8 million. Total remaining accrued obligations for restructuring charges were \$15.0 million at May 10, 2003, and consisted primarily of accrued lease obligations. The following table presents a summary of the activity in accrued lease obligations:

<i>(in thousands)</i>	Lease Obligations
Balance at August 31, 2002	\$18,140
Cash outlays	(314)
Balance at November 23, 2002	17,826
Cash outlays	(522)
Balance at February 15, 2003	17,304
Cash outlays	(2,290)
Balance at May 10, 2003	\$15,014

Note I-Sale of TruckPro Business

In December 2001, the Company's heavy-duty truck parts business was sold to a group of investors in exchange for cash and a six-year note. The Company had deferred a gain of \$3.6 million related to the sale due to uncertainties associated with the realization of the gain. During the quarter, the note (with a face value of \$4.5 million) was repaid to the Company and certain liabilities were settled. As a result, a total gain of \$4.7 million was recognized into income as part of operating, selling, general and administrative expenses. The Company has also subleased some of the TruckPro properties to the purchaser of the TruckPro business for an initial term of not less than 20 years.

Note J-Retirement Plan Changes

On January 1, 2003, the Company introduced an enhanced 401(k) plan that replaced the previous pension and 401(k) plans. The new plan features include increased company matching contributions, immediate 100% vesting of company contributions and an increased savings option to 25% of qualified earnings. In conjunction with the enhanced 401(k) plan, the defined benefit pension plan was frozen and pension plan participants will earn no new benefits under the plan formula and no new participants will join the pension plan. The Company has not experienced a material financial statement impact as a result of the plan changes.

Note K-Product Warranties

The Company provides its customers limited warranties on certain products that range from 30 days to lifetime warranties. The Company's vendors are primarily responsible for warranty claims. Warranty costs relating to merchandise sold under warranty not covered by vendors are estimated and recorded as warranty obligations at the time of sale based on each product's historical return rate. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary. Changes in the Company's warranty liability during the period were as follows:

<i>(in thousands)</i>	Warranty Liability
Balance at August 31, 2002	\$82,035
Amounts charged to expense	28,223
Warranty settlements	(23,864)
Balance at November 23, 2002	\$86,394
Amounts charged to expense	24,620
Warranty settlements	(20,228)
Balance at February 15, 2003	90,786
Amounts charged to expense	21,802
Warranty settlements	(22,270)
Balance at May 10, 2003	\$ 90,318

Independent Accountants' Review Report

Stockholders

AutoZone, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of AutoZone, Inc. as of May 10, 2003, and the related condensed consolidated statements of income and cash flows for the twelve and thirty-six week periods ended May 10, 2003 and May 4, 2002. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of AutoZone, Inc. as of August 31, 2002, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein) and, in our report dated September 20, 2002, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 31, 2002 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

Memphis, Tennessee

May 27, 2003

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

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

- 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 Third Amended and Restated By-laws of AutoZone, Inc. Incorporated by reference to Exhibit 3.1 to the Form 8-K dated October 1, 2002.
- * 10.1 2003 Director Stock Option Plan. Incorporated by reference to Appendix C to the definitive proxy statement dated November 1, 2002, for the annual meeting of stockholders held December 12, 2002.
- * 10.2 2003 Director Compensation Plan. Incorporated by reference to Appendix D to the definitive proxy statement dated November 1, 2002, for the annual meeting of stockholders held December 12, 2002.
- 15.1 Letter Regarding Unaudited Financial Information. (Previously filed.)
- 99.1 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
 - * Management contract or compensatory plan or arrangement.

- (b) (1)The Company filed a Form 8-K dated February 18, 2003, furnishing a press release regarding a quarterly sales update.
- (2)The Company filed a Form 8-K dated March 4, 2003, furnishing a press release regarding second fiscal quarter earnings.
- (3)The Company filed a Form 8-K dated April 2, 2003, furnishing a press release under Regulation FD to disclose an agreement with a subsidiary of Midas, Inc.
- (4)The Company filed a Form 8-K dated April 20, 2003, furnishing a press release regarding a 10b5-1 Plan.
-

SIGNATURES

Pursuant to the requirements 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/ MICHAEL ARCHBOLD

Michael Archbold
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Dated: June 11, 2003

CERTIFICATIONS

I, Steve Odland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AutoZone, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- 5.

Edgar Filing: AUTOZONE INC - Form 10-Q/A

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

June 11, 2003

/s/ STEVE ODLAND

Steve Odland
Chairman, President and
Chief Executive Officer

I, Michael Archbold, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AutoZone, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

- c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

June 11, 2003

/s/ MICHAEL ARCHBOLD

Michael Archbold
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

The following exhibits are filed as part of this report:

- 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 Third Amended and Restated By-laws of AutoZone, Inc. incorporated by reference to Exhibit 3.1 to the Form 8-K dated October 1, 2002.
- * 10.1 2003 Director Stock Option Plan. Incorporated by reference to Appendix C to the definitive proxy statement dated November 1, 2002, for the annual meeting of stockholders held December 12, 2002.
- * 10.2 2003 Director Compensation Plan. Incorporated by reference to Appendix D to the definitive proxy statement dated November 1, 2002, for the annual meeting of stockholders held December 12, 2002.
- 15.1 Letter Regarding Unaudited Financial Information. (Previously filed.)
- 99.1 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
 - * Management contract or compensatory plan or arrangement.