

O REILLY AUTOMOTIVE INC  
Form 8-K  
October 20, 2008

## UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 8-K

### CURRENT REPORT PURSUANT

TO SECTION 13 OR 15(d) OF THE

### SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **October 14, 2008**

## **O REILLY AUTOMOTIVE, INC.**

(Exact name of registrant as specified in its charter)

**Missouri**  
(State or other jurisdiction  
of incorporation or  
organization)

**44-0618012**  
(I.R.S. Employer Identification No.)

**233 South Patterson**  
**Springfield, Missouri 65802**

(Address of principal executive offices, Zip code)

**(417) 862-6708**

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(Registrant's telephone number, including area code)

**(Not Applicable)**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

O Reilly Automotive, Inc. (the Company), entered into interest rate swap transactions on October 14, 2008, with Branch Banking and Trust Company (BBT), Bank of America, N.A. (BA) and SunTrust Bank (SunTrust). The Company entered into the interest rate swap transactions to mitigate the risk associated with the Company's floating interest rate which is based on LIBOR on an aggregate of \$150 million of the Company's debt that is outstanding under its Credit Agreement, dated as of July 11, 2008, with Bank of America, N.A., as administrative agent, and the other parties thereto (the Credit Facility). Each interest rate swap has an effective date of October 17, 2008. The Company is required to make certain monthly fixed rate payments calculated on the notional amount of each swap and the applicable counterparty is obligated to make certain monthly floating rate payments to the Company referencing the same notional amounts. The interest rate swap transactions effectively fix the annual interest rate payable on these notional amounts of the Company's debt, which may exist under the Credit Facility, to rates ranging between 2.99% and 3.56%, plus an applicable margin under the terms of the Credit Facility. The applicable notional amount, effective interest rate and expiration date for each swap transaction are as follows:

| Counterparty | Notional Amount<br>(in millions) | Effective interest rate | Expiration Date  |
|--------------|----------------------------------|-------------------------|------------------|
| BBT          | \$ 25                            | 2.99%                   | October 17, 2010 |
| BBT          | 25                               | 3.01                    | October 17, 2010 |
| BA           | 25                               | 3.05                    | October 17, 2010 |
| SunTrust     | 25                               | 2.99                    | October 17, 2010 |
| BA           | 50                               | 3.56                    | October 17, 2011 |

Notwithstanding the terms of the interest rate swap transactions, the Company is ultimately obligated for all amounts due and payable under the Credit Facility. The Company may enter into additional swap transactions in the future from time to time.

**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 hereunto duly authorized.

Date: October 20, 2008

O REILLY AUTOMOTIVE, INC.

By: /s/ Thomas McFall  
Thomas McFall  
Executive Vice President of Finance  
Chief Financial Officer  
(principal financial and accounting officer)