

AUTOZONE INC
Form 8-K
September 14, 2011

**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): September 13, 2011 (September 13, 2011)

AUTOZONE, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other Jurisdiction of
Incorporation)

1-10714

(Commission File Number)

62-1482048

(IRS Employer Identification No.)

123 South Front Street

Memphis, Tennessee

(Address of Principal Executive Offices)

38103

(Zip Code)

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

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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into A Material Definitive Agreement.

The information set forth under Item 2.03 below is incorporated into this Item 1.01 by reference.

AutoZone has other commercial relationships with certain parties to the Revolving Credit Agreement described in Item 2.03 below. From time to time, several of the lenders or their affiliates furnish general financing and banking services to AutoZone.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On September 13, 2011, AutoZone, Inc. (AutoZone) entered into an Amended and Restated Credit Agreement dated as of September 13, 2011 (the Revolving Credit Agreement) among AutoZone as Borrower, the several Lenders from time to time party thereto, and Bank of America, N.A. as Administrative Agent and Swingline Lender (Bank of America), JPMorgan Chase Bank, N.A. as Syndication Agent (JPMorgan), arranged by Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC as Joint Lead Arrangers and Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, SunTrust Robinson Humphrey, Inc., U.S. Bank National Association, Wells Fargo Securities, LLC and Barclays Capital as Joint Book Runners. The Revolving Credit Agreement amends AutoZone's Credit Agreement dated as of July 9, 2009 among AutoZone, the several lenders from time to time party thereto, Bank of America as Syndication Agent and Swingline Lender and JPMorgan as Syndication Agent, by, among other things, increasing the committed credit amount from \$800 million to \$1 billion, reducing facility fees and applicable margins on Base Rate and Eurodollar loans, and extending the maturity date to September 13, 2016.

The Revolving Credit Agreement provides for loans in the principal amount of up to \$1 billion, which amount may be increased to \$1.25 billion at the election of AutoZone upon the satisfaction of certain conditions. The Revolving Credit Agreement terminates by its terms, and all amounts borrowed under the Revolving Credit Agreement shall be due and payable, on September 13, 2016, but AutoZone may, on or after September 13, 2013, by notice to the Administrative Agent, request an extension of the termination date to September 13, 2017, in which event the Lenders under the Revolving Credit Agreement may, at their individual options, elect to extend the termination date. The Revolving Credit Agreement includes a \$75 million sublimit for Swingline Loans and a \$200 million aggregate sublimit for letters of credit.

Revolving loans under the Revolving Credit Agreement may be base rate loans, Eurodollar loans, or a combination of both, at AutoZone's election. Base rate loans shall bear interest at a rate equal to the sum of (A) the highest of the Federal Funds Rate plus 1/2 of 1%, the Bank of America prime rate as publicly announced from time to time, and the Eurodollar Rate plus 1% (the Base Rate), plus (B) the Applicable Margin as defined in the Revolving Credit Agreement. Eurodollar loans shall bear interest at a rate equal to the Eurodollar Rate as defined in the Revolving Credit Agreement plus the Applicable Margin. Under the Revolving Credit Agreement, the Applicable Margin for Base Rate Loans shall be between zero and 47.5 basis points based on AutoZone's senior unsecured (non-credit enhanced) long term debt rating as published by Standard & Poor's Ratings Service, Moody's Investors Service, Inc. and/or Fitch, Inc. (the AutoZone Unsecured Debt Rating). Under the Revolving Credit Agreement, the Applicable Margin for Eurodollar Loans shall be between 77.5 basis points and 147.5 basis points based on the AutoZone Unsecured Debt Rating. In addition, Facility Fees under the Revolving Credit Agreement were reduced and now vary from 10 to 27.5 basis points based on the AutoZone Unsecured Debt Rating.

Certain revolving credit loans (Swingline Loans) will be made available by Bank of America as Swingline Lender on a same-day basis in minimum amounts of \$5 million, up to the \$75 million Swingline Loan sublimit. Bank of America has the discretion to make or not make Swingline Loans. Any Swingline Loan must be repaid by AutoZone in full upon the earliest of (a) the maturity date of the Swingline Loan as agreed upon by the Swingline Lender and AutoZone (which shall be no more than seven (7) business days following the date of the Swingline advance), (b) the Termination Date of the Revolving Credit Facility (including any extension), and (c) the demand of the Swingline Lender. Swingline Loans that are base rate loans shall bear interest at the Base Rate plus the Applicable Margin. Swingline Loans that are Quoted Rate Swingline Loans shall bear interest at the fixed percentage rate per annum offered by the Swingline Lender and accepted by AutoZone with respect to a particular Swingline Loan.

A portion of the available credit under the Revolving Credit Agreement, but not to exceed \$200 million, will be available for the issuance of letters of credit. Letters of credit will be issued by SunTrust Bank and Bank of America, or another lender acceptable to AutoZone and the Administrative Agent.

AutoZone may prepay loans under the Revolving Credit Agreement in whole or in part at any time without premium or penalty, provided that if prepayment of a Eurodollar Loan or a Quoted Rate Swingline Loan does not occur on the last day of an interest period or if AutoZone does not provide proper notice of intent to prepay (three (3) business days notice in the case of Eurodollar Loans and one (1) business day notice in the case of Base Rate Loans), then AutoZone will indemnify the lenders against lost spread due to improper notice or failure to pay on the last business day of an interest period. If a change of control occurs, each lender has the right to require AutoZone to prepay such lender's outstanding portion of loans and cash collateralize such lender's letter of credit obligations, plus any accrued and unpaid interest to the date of prepayment. Each lender must determine whether to require such prepayment during the 20-day period following notice from the Administrative Agent.

The Revolving Credit Agreement contains customary covenants for transactions of this type. The financial covenants include covenants that AutoZone will not permit the ratio of its Consolidated Adjusted Debt to Consolidated Adjusted EBITDAR to be greater than 3.25 to 1.00 as of the last day of each fiscal quarter and will maintain a minimum ratio of Consolidated EBITDAR to Consolidated Interest Expense plus Consolidated Rents of 2.50 to 1.00. The Revolving Credit Agreement also contains customary events of default. Upon the occurrence of an event of default, the outstanding obligations under the Revolving Credit Agreement may be accelerated and become immediately due and payable.

As of the date of the Amendment and Restatement of the Revolving Credit Facility, there were no outstanding borrowings under the Revolving Credit Facility.

SIGNATURE

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.

Dated: September 13, 2011

AUTOZONE, INC.

By: /s/ William T. Giles

Name: William T. Giles

Title: Executive Vice President and Chief
Financial Officer