

CARMAX INC  
Form 10-Q  
January 08, 2007

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly Period Ended November 30, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-31420

**CARMAX, INC.**

(Exact name of registrant as specified in its charter)

**VIRGINIA**

(State or other jurisdiction of incorporation or  
organization)

**54-1821055**

(I.R.S. Employer Identification No.)

**12800 TUCKAHOE CREEK PARKWAY,  
RICHMOND, VIRGINIA**

(Address of principal executive offices)

**23238**

(Zip Code)

**(804) 747-0422**

(Registrant's telephone number, including area code)

**N/A**

(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 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

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

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Indicate by check mark whether the registrant is a shell company (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 practicable date.

<b>Class</b>	<b>Outstanding at December 31, 2006</b>
Common Stock, par value \$0.50	107,444,503

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(In thousands except per share data)

	<b>Three Months Ended November 30</b>				<b>Nine Months Ended November 30</b>			
	<b>2006</b>	<b>%<sup>(1)</sup></b>	<b>2005</b>	<b>%<sup>(1)</sup></b>	<b>2006</b>	<b>%<sup>(1)</sup></b>	<b>2005</b>	<b>%<sup>(1)</sup></b>
			<b>Restated<sup>(2)</sup></b>				<b>Restated<sup>(2)</sup></b>	
<b>Sales and operating revenues:</b>								
Used vehicle sales	\$ 1,377,551	77.9	\$ 1,087,097	76.3	\$ 4,365,409	78.2	\$ 3,527,416	76.1
New vehicle sales	109,940	6.2	113,299	8.0	349,579	6.3	399,314	8.6
Wholesale vehicle sales	226,363	12.8	174,235	12.2	695,958	12.5	554,510	12.0
Other sales and revenues	54,293	3.1	49,349	3.5	171,882	3.1	154,953	3.3
<b>Net sales and operating revenues</b>	<b>1,768,147</b>	<b>100.0</b>	<b>1,423,980</b>	<b>100.0</b>	<b>5,582,828</b>	<b>100.0</b>	<b>4,636,193</b>	<b>100.0</b>
Cost of sales	1,539,538	87.1	1,246,807	87.6	4,852,599	86.9	4,052,677	87.4
<b>Gross profit</b>	<b>228,609</b>	<b>12.9</b>	<b>177,173</b>	<b>12.4</b>	<b>730,229</b>	<b>13.1</b>	<b>583,516</b>	<b>12.6</b>
CarMax Auto Finance income	31,974	1.8	27,971	2.0	100,880	1.8	78,866	1.7
Selling, general, and administrative expenses	187,318	10.6	167,351	11.8	574,333	10.3	502,517	10.8
Interest expense	167	-	430	-	4,449	0.1	1,999	-
Interest income	406	-	262	-	973	-	588	-