

GRAFTON W ROBERT  
Form 4  
May 13, 2005

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
GRAFTON W ROBERT

(Last) (First) (Middle)

ATTN: STOCK OPTIONS, 4900  
COX ROAD

(Street)

GLEN ALLEN, VA 23060

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
CARMAX INC [KMX]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/11/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Amount  |  |  |
|                                 |                                      |  |                                | Code  | V   |  |  |
|                                 |                                      |  |                                |   | Amount  |  |  |
|                                 |                                      |  |                                |   | (D)   |  |  |
|                                 |                                      |  |                                |   | Price   |  |  |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|                                 |                           |                                      |                                   |                     |                                    |  |   |

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| (Instr. 3)                            | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and<br>5) | Code | V | (A)   | (D)   | Date Exercisable          | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of<br>Shares |
|---------------------------------------|------------------------------------|------------------|------------|---|------|---|-------|-------|---------------------------|--------------------|-----------------|--|
| Stock<br>Options<br>(Right to<br>buy) | \$ 21.49                           | 05/11/2005       |            | D <sup>(1)</sup>  |      |   |       | 1,300 | 06/29/2005 <sup>(2)</sup> | 06/30/2014         | Common<br>Stock | 1,300                                  |
| Stock<br>Options<br>(Right to<br>buy) | \$ 21.49                           | 05/11/2005       |            | A <sup>(1)</sup>  |      |   | 1,300 |       | 06/29/2005 <sup>(2)</sup> | 06/30/2014         | Common<br>Stock | 1,300                                  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| GRAFTON W ROBERT<br>ATTN: STOCK OPTIONS<br>4900 COX ROAD<br>GLEN ALLEN, VA 23060 | X             |           |         |       |

## Signatures

Sherry Neuffer                      05/13/2005  
 \_\_Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- On May 11, 2005, the Issuer and the Reporting Person agreed to amend the Incentive Award Agreement dated June 30, 2004 (the "Agreement") entered into by the parties pursuant to the Issuer's Amended and Restated 2002 Non-Employee Directors Stock Incentive Plan (the "Plan"). The Agreement provides for the grant of stock options with respect to 4,003 shares of Common Stock (as previously reported on Form 4, filed on July 1, 2004). The Agreement, as amended, provides that 1,300 of such shares are subject to shareholder approval of an amendment to the Plan at the Issuer's 2005 annual meeting of shareholders on June 21, 2005. The transactions reported in this Form 4 reflect solely this modification to the terms of the Agreement with respect to 1,300 shares. There were no changes to any other terms of the Agreement or the related grant of stock options.
- (1) reported on Form 4, filed on July 1, 2004). The Agreement, as amended, provides that 1,300 of such shares are subject to shareholder approval of an amendment to the Plan at the Issuer's 2005 annual meeting of shareholders on June 21, 2005. The transactions reported in this Form 4 reflect solely this modification to the terms of the Agreement with respect to 1,300 shares. There were no changes to any other terms of the Agreement or the related grant of stock options.
  - (2) The stock options are exercisable with respect to one-third of the underlying shares of Common Stock on the business day immediately preceding each of June 30, 2005, June 30, 2006 and June 30, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.