August 1, 2012

Sonic Automotive Announces Conclusion of Exchange Offer

CHARLOTTE, N.C., Aug. 1, 2012 /PRNewswire/ -- Sonic Automotive, Inc. (NYSE: SAH) today announced that the Company completed its exchange offer to purchase up to all of its outstanding 5.0% Convertible Senior Notes due 2029 ("5% Notes") with a combination of cash and shares of its Class A common stock. All but $5,000 in aggregate principal amount of the outstanding 5% Notes were repurchased in the exchange offer. Sonic paid approximately $137.1 million in cash (including accrued and unpaid interest on the 5% Notes and cash paid in lieu of fractional shares) and issued 4,074,905 shares of Class A common stock.

B. Scott Smith, the Company's President, noted, "As a result of the conclusion of this transaction, along with the Company's recent issuance of $200 million of 7% Senior Subordinated Notes due 2022, Sonic has further strengthened its balance sheet and extended the maturities of its publicly issued debt. We believe our shareholders will benefit from these transactions as it eliminates the possibility of the 5% Notes being converted into common stock and diluting the value of existing shareholders' positions."

Sonic's Chief Financial Officer, Dave Cosper remarked, "We have simplified our capital structure by eliminating a fairly complex and highly dilutive instrument. The successful execution of these transactions required a substantial amount of planning and coordination, which was assisted by BofA Merrill Lynch, J.P. Morgan, Wells Fargo, US Bancorp and Comerica Securities. During the third quarter of 2012, we will finalize the accounting related to the transaction, and we currently estimate that we will recognize a pre-tax charge related to the activities discussed above ranging between $14.0 million and $19.0 million. We would like to reiterate that we expect our full year 2012 diluted earnings per share from continuing operations to be $1.62 per share to $1.70 per share, excluding the effects of these transactions."

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to expected earnings and accounting implications from debt repurchase activities. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risk and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions in the markets in which we operate, new and used vehicle industry

sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2011 and quarterly report on Form 10-Q for the period ended June 30, 2012. The Company does not undertake any obligation to update forward-looking information.

SOURCE Sonic Automotive, Inc.