

October 21, 2014



## **Sonic Automotive, Inc. Reports All-Time Record New Retail Unit Sales and Q3 Total Gross Profit**

CHARLOTTE, N.C., Oct. 21, 2014 /PRNewswire/ -- Sonic Automotive, Inc. (NYSE: SAH), one of the nation's largest automotive retailers, today reported net income from continuing operations for the third quarter of 2014 of \$24.6 million, or \$0.47 per fully diluted share. Net income from continuing operations for the third quarter of 2013 was \$24.7 million, or \$0.46 per fully diluted share. Results for the third quarter of 2014 include a net pre-tax gain of approximately \$0.8 million, or \$0.01 per diluted share, related to a gain on disposal of franchises, partially offset by severe storm damage and impairment charges.

Results for the third quarter of 2014 include pre-tax expenses of approximately \$3.1 million, or \$0.04 per diluted share, and \$3.6 million, or \$0.05 per diluted share, related to the Company's One Sonic-One Experience and EchoPark<sup>®</sup> initiatives, respectively. Results related to these initiatives for the third quarter of 2013 include pre-tax expenses of approximately \$1.5 million, or \$0.02 per diluted share, for One Sonic-One Experience, and \$1.7 million, or \$0.02 per diluted share, related to EchoPark<sup>®</sup>.

### **Q3 2014 Highlights:**

- All-time record new retail unit sales of 36,301 units, up 6.5% over the prior year quarter
- New retail revenue up \$93.1 million, or 7.6%, over the prior year quarter
- Pre-owned revenue up \$23.7 million, or 4.2%, over the prior year quarter
- All-time record pre-owned gross profit of \$41.2 million, an increase of 5.8% over the prior year quarter
- Pre-owned unit sales per store per month were 90 units for Q3 2014
- Q3 record fixed operations gross profit in 2014 of \$155.3 million, up \$6.1 million, or 4.1%, over the prior year quarter
- Total gross profit in Q3 2014 was also a third quarter record of \$341.5 million, up \$15.4 million, or 4.7%, over the prior year quarter

B. Scott Smith, the Company's President, noted, "Our team worked very hard during the third quarter and it definitely paid off. We were able to deliver record-breaking results while still driving forward with our EchoPark<sup>®</sup> and One Sonic-One Experience initiatives. Initial results from our One Sonic-One Experience test store in Charlotte met our expectations and we plan to continue the rollout of this initiative to the entire Charlotte market in the fourth quarter. The fourth quarter also involves our grand opening of EchoPark<sup>®</sup> in Denver which we believe, together with our One Sonic-One Experience initiative, will transform the retail automotive buying experience. In addition, during the quarter, we repurchased approximately 1.2 million Class A common shares in open market transactions, reinforcing

our commitment to return capital to shareholders. At the end of the third quarter, we had approximately \$93 million of remaining share repurchase authorization."

Jeff Dyke, Sonic's EVP of Operations, stated, "Our strategy to manage the combination of our revenue streams in order to maximize overall gross profit dollars worked well during the quarter. We drove volume in new retail units that in turn contributed incremental fixed operations and F&I gross profit dollars. The result yielded overall gross profit of \$341.5 million, a third quarter record for our Company. We are excited about how this strategy dovetails nicely into our One Sonic-One Experience initiative. At our test store in Charlotte, we increased our market share from approximately 13.1% to 20.8% during the rollout period. We have utilized our inventory and pricing models to remain competitive and increase market share and store profitability. The customer feedback we've received has also been tremendous, further validating our assertion that we are fulfilling a customer need that currently is not met in our space."

### **Third Quarter Earnings Conference Call**

Senior management will host a conference call today at 11:00 A.M. (Eastern) to discuss the quarter's results. To access the live broadcast of the call over the Internet go to: [www.sonicautomotive.com](http://www.sonicautomotive.com), then click on "Our Company," then "Investor Relations," then "Earnings Conference Calls."

Presentation materials for the conference call can be accessed on the Company's website at [www.sonicautomotive.com](http://www.sonicautomotive.com) by clicking on the "Investor Relations" tab under "Our Company" and choosing "Webcasts & Presentations."

The conference call will also be available live by dialing in 10 minutes prior to the start of the call at:

Domestic: 1.877.450.3867  
International: 1.706.643.0958  
Conference ID: 76537423

A conference call replay will be available one hour following the call for seven days and can be accessed by calling:

Domestic: 1.855.859.2056  
International: 1.404.537.3406  
Conference ID: 76537423

### 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](http://www.sonicautomotive.com).

Included herein are forward-looking statements, including statements with respect to anticipated future success and impacts from the implementation of our planned customer experience and stand-alone pre-owned store initiatives. 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, 2013. The Company does not undertake any obligation to update forward-looking information.

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

This release contains certain non-GAAP financial measures (the "Adjusted" columns) as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations and related earnings per share data. The Company has reconciled these measures to the most directly comparable GAAP measures (the "Reported" columns) in the release. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure by providing period-to-period comparability of the Company's results from operations

|   | Third Quarter Ended<br>September 30, 2014      |             |           | Third Quarter Ended<br>September 30, 2013 |             |           |
|---|--|-------------|-----------|---|-------------|-----------|
|   | Reported                                       | Adjustments | Adjusted  | Reported                                  | Adjustments | Adjusted  |
|   | (In thousands, except per share and unit data) |             |           |   |             |           |
| Revenues:   |  |             |           |   |             |           |
|   | \$   |             | \$        | \$  |             | \$        |
| New retail vehicles                                   | 1,312,592                                      | \$ -        | 1,312,592 | 1,219,525                                 | \$ -        | 1,219,525 |
| Fleet vehicles  | 15,245   | -           | 15,245    | 41,745                                    | -           | 41,745    |
| Total new vehicles                                    | 1,327,837                                      | -           | 1,327,837 | 1,261,270                                 | -           | 1,261,270 |
| Used vehicles   | 583,570  | -           | 583,570   | 559,848                                   | -           | 559,848   |
| Wholesale vehicles                                    | 41,433   | -           | 41,433    | 42,731                                    | -           | 42,731    |
| Total vehicles  | 1,952,840                                      | -           | 1,952,840 | 1,863,849                                 | -           | 1,863,849 |
| Parts, service and collision repair                   | 325,740  | -           | 325,740   | 309,600                                   | -           | 309,600   |
| Finance, insurance and other, net                     | 77,024   | -           | 77,024    | 68,747                                    | -           | 68,747    |
| Total revenues  | 2,355,604                                      | -           | 2,355,604 | 2,242,196                                 | -           | 2,242,196 |
| Gross profit  | 341,489  | -           | 341,489   | 326,081                                   | -           | 326,081   |
| Selling, general and administrative expenses          | (270,144)                                      | (1,044)     | (271,188) | (254,564)                                 | -           | (254,564) |
| Impairment charges                                    | (208)  | 207         | (1)       | (18)                                      | -           | (18)      |
| Depreciation and amortization                         | (14,235)                                       | -           | (14,235)  | (13,744)                                  | -           | (13,744)  |
| Operating income (loss)                               | 56,902   | (837)       | 56,065    | 57,755                                    | -           | 57,755    |
| Other income (expense):                               |  |             |           |   |             |           |
| Interest expense, floor plan                          | (4,406)  | -           | (4,406)   | (5,463)                                   | -           | (5,463)   |
| Interest expense, other, net                          | (12,893)                                       | -           | (12,893)  | (13,553)                                  | -           | (13,553)  |
| Other income (expense), net                           | (1)  | -           | (1)       | 29  | -           | 29        |
| Total other income (expense)                          | (17,300)                                       | -           | (17,300)  | (18,987)                                  | -           | (18,987)  |
| Income (loss) from continuing operations before taxes | 39,602   | (837)       | 38,765    | 38,768                                    | -           | 38,768    |
| Provision for income taxes - benefit (expense)        | (15,045)                                       | 327         | (14,718)  | (14,066)                                  | -           | (14,066)  |
| Income (loss) from continuing operations              | 24,557   | (510)       | 24,047    | 24,702                                    | -           | 24,702    |
| Income (loss) from discontinued operations            | 155  | (845)       | (690)     | (1,375)                                   | -           | (1,375)   |
| Net income (loss)                                     | \$ 24,712                                      | \$ (1,355)  | \$ 23,357 | \$ 23,327                                 | \$ -        | \$ 23,327 |

|  |    |         |    |        |    |         |    |         |    |   |    |         |
|--|----|---------|----|--------|----|---------|----|---------|----|---|----|---------|
| Diluted earnings (loss) per common share:              |    |         |    |        |    |         |    |         |    |   |    |         |
| Earnings (loss) per share from continuing operations   | \$ | 0.47    | \$ | (0.01) | \$ | 0.46    | \$ | 0.46    | \$ | - | \$ | 0.46    |
| Earnings (loss) per share from discontinued operations |    | -       |    | (0.02) |    | (0.02)  |    | (0.02)  |    | - |    | (0.02)  |
| Earnings (loss) per common share                       | \$ | 0.47    | \$ | (0.03) | \$ | 0.44    | \$ | 0.44    | \$ | - | \$ | 0.44    |
| Weighted average common shares outstanding             |    | 52,553  |    |        |    | 52,553  |    | 52,918  |    |   |    | 52,918  |
| Gross Margin Data (Continuing Operations):             |    |         |    |        |    |         |    |         |    |   |    |         |
| New retail vehicles                                    |    | 5.3%    |    |        |    | 5.3%    |    | 5.9%    |    |   |    | 5.9%    |
| Fleet vehicles   |    | 0.6%    |    |        |    | 0.6%    |    | 2.5%    |    |   |    | 2.5%    |
| Total new vehicles                                     |    | 5.2%    |    |        |    | 5.2%    |    | 5.7%    |    |   |    | 5.7%    |
| Used vehicles  |    | 7.1%    |    |        |    | 7.1%    |    | 7.0%    |    |   |    | 7.0%    |
| Wholesale vehicles                                     |    | (2.6%)  |    |        |    | (2.6%)  |    | (7.5%)  |    |   |    | (7.5%)  |
| Parts, service and collision repair                    |    | 47.7%   |    |        |    | 47.7%   |    | 48.2%   |    |   |    | 48.2%   |
| Finance, insurance and other                           |    | 100.0%  |    |        |    | 100.0%  |    | 100.0%  |    |   |    | 100.0%  |
| Overall gross margin                                   |    | 14.5%   |    |        |    | 14.5%   |    | 14.5%   |    |   |    | 14.5%   |
| SG&A Expenses (Continuing Operations):                 |    |         |    |        |    |         |    |         |    |   |    |         |
| Compensation (4)                                       | \$ | 163,230 |    |        |    |         | \$ | 151,683 |    |   |    |         |
| Advertising  |    | 14,045  |    |        |    |         |    | 14,132  |    |   |    |         |
| Rent   |    | 18,145  |    |        |    |         |    | 18,901  |    |   |    |         |
| Other (5)  |    | 74,724  |    |        |    |         |    | 69,848  |    |   |    |         |
| Total SG&A expenses                                    | \$ | 270,144 | \$ | 1,044  | \$ | 271,188 | \$ | 254,564 | \$ | - | \$ | 254,564 |
| SG&A expenses as % of gross profit                     |    | 79.1%   |    |        |    | 79.4%   |    | 78.1%   |    |   |    | 78.1%   |
| Operating Margin %                                     |    | 2.4%    |    |        |    | 2.4%    |    | 2.6%    |    |   |    | 2.6%    |
| Unit Data (Continuing Operations):                     |    |         |    |        |    |         |    |         |    |   |    |         |
| New retail units                                       |    | 36,301  |    |        |    |         |    | 34,087  |    |   |    |         |
| Fleet units  |    | 473     |    |        |    |         |    | 1,451   |    |   |    |         |
| Total new units  |    | 36,774  |    |        |    |         |    | 35,538  |    |   |    |         |
| Used units   |    | 27,536  |    |        |    |         |    | 27,632  |    |   |    |         |
| Wholesale units  |    | 7,916   |    |        |    |         |    | 7,641   |    |   |    |         |

(1) Represents gain on disposal of dealerships, offset partially by severe storm damage charges.

(2) Represents property and equipment impairment charges.

(3) Represents lease exit adjustments, net of tax.

(4) Included in SG&A Compensation expense are amounts attributable to the EchoPark® initiative of \$1.9 million and \$0.6 million in the third quarter of 2014 and 2013, respectively.

(5) Included in SG&A Other expense are amounts attributable to the EchoPark® initiative of \$1.7 million and \$1.1 million in the third quarter of 2014 and 2013, respectively.

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

| Nine Months Ended<br>September 30, 2014        |             |          | Nine Months Ended<br>September 30, 2013 |             |          |
|--|-------------|----------|---|-------------|----------|
| Reported                                       | Adjustments | Adjusted | Reported                                | Adjustments | Adjusted |
| (In thousands, except per share and unit data) |             |          |   |             |          |

## Revenues:

|  |           |            |     |           |           |           |           |
|--|-----------|------------|-----|-----------|-----------|-----------|-----------|
|  | \$        |            |     | \$        |           |           | \$        |
| New retail vehicles                                    | 3,708,114 | \$ -       |     | 3,708,114 | 3,520,343 | \$ -      | 3,520,343 |
| Fleet vehicles   | 65,120    | -          |     | 65,120    | 131,143   | -         | 131,143   |
| Total new vehicles                                     | 3,773,234 | -          |     | 3,773,234 | 3,651,486 | -         | 3,651,486 |
| Used vehicles  | 1,747,254 | -          |     | 1,747,254 | 1,625,006 | -         | 1,625,006 |
| Wholesale vehicles                                     | 127,797   | -          |     | 127,797   | 134,556   | -         | 134,556   |
| Total vehicles   | 5,648,285 | -          |     | 5,648,285 | 5,411,048 | -         | 5,411,048 |
| Parts, service and collision repair                    | 973,646   | -          |     | 973,646   | 913,290   | -         | 913,290   |
| Finance, insurance and other, net                      | 223,340   | -          |     | 223,340   | 203,461   | -         | 203,461   |
| Total revenues   | 6,845,271 | -          |     | 6,845,271 | 6,527,799 | -         | 6,527,799 |
| Gross profit   | 1,017,436 | -          |     | 1,017,436 | 962,907   | -         | 962,907   |
| Selling, general and administrative expenses           | (803,031) | (6,954)    | (1) | (809,985) | (748,479) | -         | (748,479) |
| Impairment charges                                     | (215)     | 207        | (2) | (8)       | (69)      | -         | (69)      |
| Depreciation and amortization                          | (43,047)  | -          |     | (43,047)  | (39,020)  | -         | (39,020)  |
| Operating income (loss)                                | 171,143   | (6,747)    |     | 164,396   | 175,339   | -         | 175,339   |
| Other income (expense):                                |           |            |     |           |           |           |           |
| Interest expense, floor plan                           | (13,941)  | -          |     | (13,941)  | (16,267)  | -         | (16,267)  |
| Interest expense, other, net                           | (40,576)  | -          |     | (40,576)  | (42,302)  | 788       | (41,514)  |
| Other income (expense), net                            | 98        | -          |     | 98        | (28,143)  | 28,235    | (5) 92    |
| Total other income (expense)                           | (54,419)  | -          |     | (54,419)  | (86,712)  | 29,023    | (57,689)  |
| Income (loss) from continuing operations before taxes  | 116,724   | (6,747)    |     | 109,977   | 88,627    | 29,023    | 117,650   |
| Provision for income taxes - benefit (expense)         | (45,122)  | 2,631      |     | (42,491)  | (33,510)  | (11,320)  | (44,830)  |
| Income (loss) from continuing operations               | 71,602    | (4,116)    |     | 67,486    | 55,117    | 17,703    | 72,820    |
| Income (loss) from discontinued operations             | (511)     | (845)      | (3) | (1,356)   | (1,582)   | -         | (1,582)   |
| Net income (loss)                                      | \$ 71,091 | \$ (4,961) |     | \$ 66,130 | \$ 53,535 | \$ 17,703 | \$ 71,238 |
| Diluted earnings (loss) per common share:              |           |            |     |           |           |           |           |
| Earnings (loss) per share from continuing operations   | \$ 1.35   | \$ (0.08)  |     | \$ 1.27   | \$ 1.03   | \$ 0.34   | \$ 1.37   |
| Earnings (loss) per share from discontinued operations | (0.01)    | (0.01)     |     | (0.02)    | (0.03)    | -         | (0.03)    |
| Earnings (loss) per common share                       | \$ 1.34   | \$ (0.09)  |     | \$ 1.25   | \$ 1.00   | \$ 0.34   | \$ 1.34   |
| Weighted average common shares outstanding             | 52,808    |            |     | 52,808    | 52,930    |           | 52,930    |
| Gross Margin Data (Continuing Operations):             |           |            |     |           |           |           |           |
| New retail vehicles                                    | 5.6%      |            |     | 5.6%      | 5.8%      |           | 5.8%      |
| Fleet vehicles   | 2.1%      |            |     | 2.1%      | 2.7%      |           | 2.7%      |
| Total new vehicles                                     | 5.6%      |            |     | 5.6%      | 5.7%      |           | 5.7%      |
| Used vehicles  | 6.8%      |            |     | 6.8%      | 7.1%      |           | 7.1%      |
| Wholesale vehicles                                     | (2.0%)    |            |     | (2.0%)    | (4.7%)    |           | (4.7%)    |

|  |            |          |            |            |      |            |
|--|------------|----------|------------|------------|------|------------|
| Parts, service and collision repair    | 48.0%      |          | 48.0%      | 48.7%      |      | 48.7%      |
| Finance, insurance and other           | 100.0%     |          | 100.0%     | 100.0%     |      | 100.0%     |
| Overall gross margin                   | 14.9%      |          | 14.9%      | 14.8%      |      | 14.8%      |
| SG&A Expenses (Continuing Operations): |            |          |            |            |      |            |
|  | \$         |          |            | \$         |      |            |
| Compensation (6)                       | 483,493    |          |            | 449,791    |      |            |
| Advertising                            | 42,027     |          |            | 41,282     |      |            |
| Rent                                   | 55,324     |          |            | 56,344     |      |            |
| Other (7)                              | 222,187    |          |            | 201,062    |      |            |
| Total SG&A expenses                    | \$ 803,031 | \$ 6,954 | \$ 809,985 | \$ 748,479 | \$ - | \$ 748,479 |
| SG&A expenses as % of gross profit     | 78.9%      |          | 79.6%      | 77.7%      |      | 77.7%      |
| Operating Margin %                     | 2.5%       |          | 2.4%       | 2.7%       |      | 2.7%       |
| Unit Data (Continuing Operations):     |            |          |            |            |      |            |
| New retail units                       | 101,177    |          |            | 98,362     |      |            |
| Fleet units                            | 2,133      |          |            | 4,661      |      |            |
| Total new units                        | 103,310    |          |            | 103,023    |      |            |
| Used units                             | 83,707     |          |            | 80,700     |      |            |
| Wholesale units                        | 23,034     |          |            | 23,291     |      |            |

- (1) Represents gain on disposal of dealerships, offset partially by severe storm damage charges and legal expenses.  
(2) Represents property and equipment impairment charges.  
(3) Represents lease exit adjustments, net of tax.  
(4) Represents double-carry interest on 9.0% Notes.  
(5) Represents loss on extinguishment of 9.0% Notes.  
(6) Included in SG&A Compensation expense are amounts attributable to the EchoPark® initiative of \$4.6 million and \$1.7 million in the nine months ended September 30, 2014 and 2013, respectively.  
(7) Included in SG&A Other expense are amounts attributable to the EchoPark® initiative of \$4.0 million and \$1.6 million in the nine months ended September 30, 2014 and 2013, respectively.

**Sonic Automotive, Inc.  
Results of Operations (Unaudited)**

**Per Share Data**

|   | Third Quarter Ended September 30, 2014 |  |                        |   |                        |                   |                        |
|---|--|--|------------------------|---|------------------------|-------------------|------------------------|
|   | Weighted<br>Average<br>Shares          | Income (Loss)<br>From Continuing<br>Operations |                        | Income (Loss)<br>From Discontinued<br>Average |                        | Net Income (Loss) |                        |
|   |  | Amount   | Per<br>Share<br>Amount | Amount  | Per<br>Share<br>Amount | Amount            | Per<br>Share<br>Amount |
| (In thousands, except per share amounts)    |  |  |                        |   |                        |                   |                        |
| Reported:                                   |  |  |                        |   |                        |                   |                        |
| Earnings (loss) and shares                  | 52,070                                 | \$ 24,557                                      |                        | \$ 155  |                        | \$ 24,712         |                        |
| Effect of participating securities:         |  |  |                        |   |                        |                   |                        |
| Non-vested restricted stock and stock units |  | (79)   |                        | -   |                        | (79)              |                        |
| Basic earnings (loss) and shares            | 52,070                                 | \$ 24,478                                      | 0.47                   | \$ 155  | \$ -                   | \$ 24,633         |                        |
| Effect of dilutive securities:              |  |  |                        |   |                        |                   |                        |
| Stock compensation plans                    | 483                                    |  |                        |   |                        |                   |                        |
| Diluted earnings (loss) and shares          | 52,553                                 | \$ 24,478                                      | 0.47                   | \$ 155  | \$ -                   | \$ 24,633         |                        |

Adjustments (net of tax):

|                                |           |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                | \$        | \$        | \$        | \$        | \$        | \$        |
| Severe storm damage            | 1,317     | 0.03      | -         | -         | 1,317     | 0.03      |
| Gain on disposal of franchises | (1,953)   | (0.04)    | -         | -         | (1,953)   | (0.04)    |
| Impairment charges             | 126       | -         | -         | -         | 126       | -         |
| Lease exit adjustments         | -         | -         | (845)     | (0.02)    | (845)     | (0.02)    |
|                                | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Total adjustments              | (510)     | (0.01)    | (845)     | (0.02)    | (1,355)   | (0.03)    |

Adjusted:

|                                       |           |           |           |           |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Diluted earnings (loss) per share (1) | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
|                                       | 0.46      |           | (0.02)    | 0.44      |

(1) Expenses attributable to the EchoPark® initiative were \$0.05 per fully diluted share in the third quarter of 2014.

**Third Quarter Ended September 30, 2013**

|   | Weighted Average Shares | Income (Loss) From Continuing Operations |                  | Income (Loss) From Discontinued Operations |                  | Net Income (Loss) |                  |
|---|-------------------------|--|------------------|--|------------------|-------------------|------------------|
|   |                         | Amount                                   | Per Share Amount | Amount                                     | Per Share Amount | Amount            | Per Share Amount |
|   |                         |  |                  |  |                  |                   |                  |
| (In thousands, except per share amounts)    |                         |  |                  |  |                  |                   |                  |
| Reported:                                   |                         | \$                                       |                  | \$   |                  | \$                |                  |
| Earnings (loss) and shares                  | 52,553                  | 24,702                                   |                  | (1,375)                                    |                  | 23,327            |                  |
| Effect of participating securities:         |                         |  |                  |  |                  |                   |                  |
| Non-vested restricted stock and stock units |                         | (172)                                    |                  | -  |                  | (172)             |                  |
| Basic earnings (loss) and shares            | 52,553                  | \$ 24,530                                | \$ 0.47          | \$ (1,375)                                 | \$ (0.03)        | \$ 23,155         | \$ 0.44          |
| Effect of dilutive securities:              |                         |  |                  |  |                  |                   |                  |
| Stock compensation plans                    | 365                     |  |                  |  |                  |                   |                  |
| Diluted earnings (loss) and shares          | 52,918                  | \$ 24,530                                | \$ 0.46          | \$ (1,375)                                 | \$ (0.02)        | \$ 23,155         | \$ 0.44          |
| Adjusted:                                   |                         |  |                  |  |                  |                   |                  |
| Diluted earnings (loss) per share (2)       |                         |  | \$ 0.46          |  | \$ (0.02)        |                   | \$ 0.44          |

(2) Expenses attributable to the EchoPark® initiative were \$0.02 per fully diluted share in the third quarter of 2013.

**Sonic Automotive, Inc.  
Results of Operations (Unaudited)**

**Per Share Data**

**Nine Months Ended September 30, 2014**

|   | Weighted Average Shares | Income (Loss) From Continuing Operations |                  | Income (Loss) From Discontinued Operations |                  | Net Income (Loss) |                  |
|---|-------------------------|--|------------------|--|------------------|-------------------|------------------|
|   |                         | Amount                                   | Per Share Amount | Amount                                     | Per Share Amount | Amount            | Per Share Amount |
|   |                         |  |                  |  |                  |                   |                  |
| (In thousands, except per share amounts)    |                         |  |                  |  |                  |                   |                  |
| Reported:                                   |                         | \$                                       |                  | \$   |                  | \$                |                  |
| Earnings (loss) and shares                  | 52,333                  | 71,602                                   |                  | (511)                                      |                  | 71,091            |                  |
| Effect of participating securities:         |                         |  |                  |  |                  |                   |                  |
| Non-vested restricted stock and stock units |                         | (229)                                    |                  | -  |                  | (229)             |                  |
| Basic earnings (loss) and shares            | 52,333                  | \$ 71,373                                | \$ 1.36          | \$ (511)                                   | \$ (0.01)        | \$ 70,862         | \$ 1.35          |
| Effect of dilutive securities:              |                         |  |                  |  |                  |                   |                  |

|                                       |        |            |           |          |           |                   |
|---------------------------------------|--------|------------|-----------|----------|-----------|-------------------|
| Stock compensation plans              | 475    |            |           |          |           |                   |
| Diluted earnings (loss) and shares    | 52,808 | \$ 71,373  | \$ 1.35   | \$ (511) | \$ (0.01) | \$ 70,862 1.34    |
| Adjustments (net of tax):             |        |            |           |          |           |                   |
| Severe storm damage and legal         |        | \$ 2,157   | \$ 0.04   | \$ -     | \$ -      | \$ 2,157 0.04     |
| Gain on disposal of franchises        |        | (6,399)    | (0.12)    | -        | -         | (6,399) (0.12)    |
| Impairment charges                    |        | 126        | -         | -        | -         | 126 -             |
| Lease exit adjustments                |        | -          | -         | (845)    | (0.01)    | (845) (0.01)      |
| Total adjustments                     |        | \$ (4,116) | \$ (0.08) | \$ (845) | \$ (0.01) | \$ (4,961) (0.09) |
| Adjusted:                             |        |            |           |          |           |                   |
| Diluted earnings (loss) per share (3) |        |            | \$ 1.27   |          | \$ (0.02) | \$ 1.25           |

(3) Expenses attributable to the EchoPark® initiative were \$0.10 per fully diluted share in the nine months ended September 30, 2014.

|   | Nine Months Ended September 30, 2013 |  |                  |  |                  |                   |                  |
|---|--------------------------------------|--|------------------|--|------------------|-------------------|------------------|
|   | Weighted Average Shares              | Income (Loss) From Continuing Operations |                  | Income (Loss) From Discontinued Operations |                  | Net Income (Loss) |                  |
|   |                                      | Amount                                   | Per Share Amount | Amount                                     | Per Share Amount | Amount            | Per Share Amount |
|   |                                      |  | Amount           |  | Amount           |                   | Amount           |
| (In thousands, except per share amounts)  |                                      |  |                  |  |                  |                   |                  |
| Reported:   |                                      |  |                  |  |                  |                   |                  |
| Earnings (loss) and shares  | 52,578                               | \$ 55,117                                |                  | \$ (1,582)                                 |                  | \$ 53,535         |                  |
| Effect of participating securities: Non-vested restricted stock and stock units |                                      | (393)                                    |                  | -  |                  | (393)             |                  |
| Basic earnings (loss) and shares  | 52,578                               | \$ 54,724                                | 1.04             | \$ (1,582)                                 | (0.03)           | \$ 53,142 1.01    |                  |
| Effect of dilutive securities: Stock compensation plans                         | 352                                  |  |                  |  |                  |                   |                  |
| Diluted earnings (loss) and shares  | 52,930                               | \$ 54,724                                | 1.03             | \$ (1,582)                                 | (0.03)           | \$ 53,142 1.00    |                  |
| Adjustments (net of tax):   |                                      |  |                  |  |                  |                   |                  |
| Double-carry interest   |                                      | \$ 480                                   | \$ 0.01          | \$ -                                       | \$ -             | \$ 480 0.01       |                  |
| Debt extinguishment charges   |                                      | 17,223                                   | 0.33             | -  | -                | 17,223 0.33       |                  |
| Total adjustments   |                                      | \$ 17,703                                | \$ 0.34          | \$ -                                       | \$ -             | \$ 17,703 0.34    |                  |
| Adjusted:   |                                      |  |                  |  |                  |                   |                  |
| Diluted earnings (loss) per share (4)   |                                      |  | \$ 1.37          |  | \$ (0.03)        | \$ 1.34           |                  |

(4) Expenses attributable to the EchoPark® initiative were \$0.04 per fully diluted share in the nine months ended September 30, 2013.

**Sonic Automotive, Inc.  
Results of Operations (Unaudited)**

**New Vehicles**

|  | Third Quarter Ended September 30, |              | Better / (Worse) |          |
|--|-----------------------------------|--------------|------------------|----------|
|  | 2014                              | 2013         | Change           | % Change |
| (In thousands, except units and per unit data) |                                   |              |                  |          |
| Reported:                                      |                                   |              |                  |          |
| Revenue  | \$ 1,327,837                      | \$ 1,261,270 | \$ 66,567        | 5.3%     |



|                                |    |        |    |        |    |         |        |
|--------------------------------|----|--------|----|--------|----|---------|--------|
| Gross profit                   | \$ | 69,026 | \$ | 72,408 | \$ | (3,382) | (4.7%) |
| Unit sales                     |    | 36,774 |    | 35,538 |    | 1,236   | 3.5%   |
| Revenue per unit               | \$ | 36,108 | \$ | 35,491 | \$ | 617     | 1.7%   |
| Gross profit per unit          | \$ | 1,877  | \$ | 2,037  | \$ | (160)   | (7.9%) |
| Gross profit as a % of revenue |    | 5.2%   |    | 5.7%   |    | (50)    | bps    |

| Nine Months Ended September 30, |      | Better / (Worse) |          |
|---------------------------------|------|------------------|----------|
| 2014                            | 2013 | Change           | % Change |

(In thousands, except units and per unit data)

|                                |    |           |    |           |    |         |      |
|--------------------------------|----|-----------|----|-----------|----|---------|------|
| Reported:                      |    |           |    |           |    |         |      |
| Revenue                        | \$ | 3,773,234 | \$ | 3,651,486 | \$ | 121,748 | 3.3% |
| Gross profit                   | \$ | 209,892   | \$ | 206,668   | \$ | 3,224   | 1.6% |
| Unit sales                     |    | 103,310   |    | 103,023   |    | 287     | 0.3% |
| Revenue per unit               | \$ | 36,523    | \$ | 35,443    | \$ | 1,080   | 3.0% |
| Gross profit per unit          | \$ | 2,032     | \$ | 2,006     | \$ | 26      | 1.3% |
| Gross profit as a % of revenue |    | 5.6%      |    | 5.7%      |    | (10)    | bps  |

| Third Quarter Ended September 30, |      | Better / (Worse) |          |
|-----------------------------------|------|------------------|----------|
| 2014                              | 2013 | Change           | % Change |

(In thousands, except units and per unit data)

|                                |    |           |    |           |    |         |        |
|--------------------------------|----|-----------|----|-----------|----|---------|--------|
| Same Store:                    |    |           |    |           |    |         |        |
| Revenue                        | \$ | 1,310,138 | \$ | 1,235,089 | \$ | 75,049  | 6.1%   |
| Gross profit                   | \$ | 67,766    | \$ | 70,602    | \$ | (2,836) | (4.0%) |
| Unit sales                     |    | 36,443    |    | 34,992    |    | 1,451   | 4.1%   |
| Revenue per unit               | \$ | 35,950    | \$ | 35,296    | \$ | 654     | 1.9%   |
| Gross profit per unit          | \$ | 1,860     | \$ | 2,018     | \$ | (158)   | (7.8%) |
| Gross profit as a % of revenue |    | 5.2%      |    | 5.7%      |    | (50)    | bps    |

| Nine Months Ended September 30, |      | Better / (Worse) |          |
|---------------------------------|------|------------------|----------|
| 2014                            | 2013 | Change           | % Change |

(In thousands, except units and per unit data)

|                                |    |           |    |           |    |        |        |
|--------------------------------|----|-----------|----|-----------|----|--------|--------|
| Same Store:                    |    |           |    |           |    |        |        |
| Revenue                        | \$ | 3,673,608 | \$ | 3,586,365 | \$ | 87,243 | 2.4%   |
| Gross profit                   | \$ | 203,132   | \$ | 202,181   | \$ | 951    | 0.5%   |
| Unit sales                     |    | 101,392   |    | 101,663   |    | (271)  | (0.3%) |
| Revenue per unit               | \$ | 36,232    | \$ | 35,277    | \$ | 955    | 2.7%   |
| Gross profit per unit          | \$ | 2,003     | \$ | 1,989     | \$ | 14     | 0.7%   |
| Gross profit as a % of revenue |    | 5.5%      |    | 5.6%      |    | (10)   | bps    |

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

**Used Vehicles**

| Third Quarter Ended September 30, |      | Better / (Worse) |          |
|-----------------------------------|------|------------------|----------|
| 2014                              | 2013 | Change           | % Change |

(In thousands, except units and per unit data)

|                                |    |         |    |         |    |        |        |
|--------------------------------|----|---------|----|---------|----|--------|--------|
| Reported:                      |    |         |    |         |    |        |        |
| Revenue                        | \$ | 583,570 | \$ | 559,848 | \$ | 23,722 | 4.2%   |
| Gross profit                   | \$ | 41,245  | \$ | 38,976  | \$ | 2,269  | 5.8%   |
| Unit sales                     |    | 27,536  |    | 27,632  |    | (96)   | (0.3%) |
| Revenue per unit               | \$ | 21,193  | \$ | 20,261  | \$ | 932    | 4.6%   |
| Gross profit per unit          | \$ | 1,498   | \$ | 1,411   | \$ | 87     | 6.2%   |
| Gross profit as a % of revenue |    | 7.1%    |    | 7.0%    |    | 10     | bps    |

| Nine Months Ended September 30, |      | Better / (Worse) |          |
|---------------------------------|------|------------------|----------|
| 2014                            | 2013 | Change           | % Change |

(In thousands, except units and per unit data)

|                                |    |           |    |           |    |         |      |
|--------------------------------|----|-----------|----|-----------|----|---------|------|
| Reported:                      |    |           |    |           |    |         |      |
| Revenue                        | \$ | 1,747,254 | \$ | 1,625,006 | \$ | 122,248 | 7.5% |
| Gross profit                   | \$ | 119,412   | \$ | 114,615   | \$ | 4,797   | 4.2% |
| Unit sales                     |    | 83,707    |    | 80,700    |    | 3,007   | 3.7% |
| Revenue per unit               | \$ | 20,873    | \$ | 20,136    | \$ | 737     | 3.7% |
| Gross profit per unit          | \$ | 1,427     | \$ | 1,420     | \$ | 7       | 0.5% |
| Gross profit as a % of revenue |    | 6.8%      |    | 7.1%      |    | (30)    | bps  |

|  | Third Quarter Ended September 30, |            | Better / (Worse) |          |
|--|-----------------------------------|------------|------------------|----------|
|  | 2014                              | 2013       | Change           | % Change |
| (In thousands, except units and per unit data) |                                   |            |                  |          |
| Same Store:                                    |                                   |            |                  |          |
| Revenue  | \$ 569,226                        | \$ 544,018 | \$ 25,208        | 4.6%     |
| Gross profit                                   | \$ 40,617                         | \$ 38,074  | \$ 2,543         | 6.7%     |
| Unit sales                                     | 27,000                            | 26,953     | 47               | 0.2%     |
| Revenue per unit                               | \$ 21,082                         | \$ 20,184  | \$ 898           | 4.4%     |
| Gross profit per unit                          | \$ 1,504                          | \$ 1,413   | \$ 91            | 6.4%     |
| Gross profit as a % of revenue                 | 7.1%                              | 7.0%       | 10               | bps      |

|  | Nine Months Ended September 30, |              | Better / (Worse) |          |
|--|---------------------------------|--------------|------------------|----------|
|  | 2014                            | 2013         | Change           | % Change |
| (In thousands, except units and per unit data) |                                 |              |                  |          |
| Same Store:                                    |                                 |              |                  |          |
| Revenue  | \$ 1,677,794                    | \$ 1,580,336 | \$ 97,458        | 6.2%     |
| Gross profit                                   | \$ 115,743                      | \$ 111,673   | \$ 4,070         | 3.6%     |
| Unit sales                                     | 80,928                          | 78,785       | 2,143            | 2.7%     |
| Revenue per unit                               | \$ 20,732                       | \$ 20,059    | \$ 673           | 3.4%     |
| Gross profit per unit                          | \$ 1,430                        | \$ 1,417     | \$ 13            | 0.9%     |
| Gross profit as a % of revenue                 | 6.9%                            | 7.1%         | (20)             | bps      |

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

**Wholesale Vehicles**

|  | Third Quarter Ended September 30, |            | Better / (Worse) |          |
|--|-----------------------------------|------------|------------------|----------|
|  | 2014                              | 2013       | Change           | % Change |
| (In thousands, except units and per unit data) |                                   |            |                  |          |
| Reported:                                      |                                   |            |                  |          |
| Revenue  | \$ 41,433                         | \$ 42,731  | \$ (1,298)       | (3.0%)   |
| Gross profit (loss)                            | \$ (1,086)                        | \$ (3,197) | \$ 2,111         | 66.0%    |
| Unit sales                                     | 7,916                             | 7,641      | 275              | 3.6%     |
| Revenue per unit                               | \$ 5,234                          | \$ 5,592   | \$ (358)         | (6.4%)   |
| Gross profit (loss) per unit                   | \$ (137)                          | \$ (418)   | \$ 281           | 67.2%    |
| Gross profit (loss) as a % of revenue          | (2.6%)                            | (7.5%)     | 490              | bps      |

|  | Nine Months Ended September 30, |            | Better / (Worse) |          |
|--|---------------------------------|------------|------------------|----------|
|  | 2014                            | 2013       | Change           | % Change |
| (In thousands, except units and per unit data) |                                 |            |                  |          |
| Reported:                                      |                                 |            |                  |          |
| Revenue  | \$ 127,797                      | \$ 134,556 | \$ (6,759)       | (5.0%)   |
| Gross profit (loss)                            | \$ (2,493)                      | \$ (6,343) | \$ 3,850         | 60.7%    |
| Unit sales                                     | 23,034                          | 23,291     | (257)            | (1.1%)   |
| Revenue per unit                               | \$ 5,548                        | \$ 5,777   | \$ (229)         | (4.0%)   |
| Gross profit (loss) per unit                   | \$ (108)                        | \$ (272)   | \$ 164           | 60.3%    |
| Gross profit (loss) as a % of revenue          | (2.0%)                          | (4.7%)     | 270              | bps      |

|  | Third Quarter Ended September 30, |            | Better / (Worse) |          |
|--|-----------------------------------|------------|------------------|----------|
|  | 2014                              | 2013       | Change           | % Change |
| (In thousands, except units and per unit data) |                                   |            |                  |          |
| Same Store:                                    |                                   |            |                  |          |
| Revenue  | \$ 40,894                         | \$ 42,141  | \$ (1,247)       | (3.0%)   |
| Gross profit (loss)                            | \$ (1,043)                        | \$ (3,105) | \$ 2,062         | 66.4%    |
| Unit sales                                     | 7,829                             | 7,545      | 284              | 3.8%     |
| Revenue per unit                               | \$ 5,223                          | \$ 5,585   | \$ (362)         | (6.5%)   |
| Gross profit (loss) per unit                   | \$ (133)                          | \$ (412)   | \$ 279           | 67.7%    |
| Gross profit (loss) as a % of revenue          | (2.6%)                            | (7.4%)     | 480              | bps      |

|  | Nine Months Ended September 30, |            | Better / (Worse) |          |
|--|---------------------------------|------------|------------------|----------|
|  | 2014                            | 2013       | Change           | % Change |
| (In thousands, except units and per unit data) |                                 |            |                  |          |
| Same Store:                                    |                                 |            |                  |          |
| Revenue  | \$ 123,962                      | \$ 132,528 | \$ (8,566)       | (6.5%)   |
| Gross profit (loss)                            | \$ (2,262)                      | \$ (6,019) | \$ 3,757         | 62.4%    |
| Unit sales                                     | 22,509                          | 22,987     | (478)            | (2.1%)   |

|                                       |    |        |    |        |    |       |        |
|---------------------------------------|----|--------|----|--------|----|-------|--------|
| Revenue per unit                      | \$ | 5,507  | \$ | 5,765  | \$ | (258) | (4.5%) |
| Gross profit (loss) per unit          | \$ | (100)  | \$ | (262)  | \$ | 162   | 61.8%  |
| Gross profit (loss) as a % of revenue |    | (1.8%) |    | (4.5%) |    | 270   | bps    |

**Sonic Automotive, Inc.  
Results of Operations (Unaudited)**

**Parts, Service and Collision Repair ("Fixed Operations")**

|                                | Third Quarter Ended September 30, |            | Better / (Worse) |          |
|--------------------------------|-----------------------------------|------------|------------------|----------|
|                                | 2014                              | 2013       | Change           | % Change |
| (In thousands)                 |                                   |            |                  |          |
| Reported:                      |                                   |            |                  |          |
| Revenue                        |                                   |            |                  |          |
| Customer pay                   | \$ 141,458                        | \$ 137,106 | \$ 4,352         | 3.2%     |
| Warranty                       | 48,431                            | 45,405     | 3,026            | 6.7%     |
| Wholesale parts                | 46,983                            | 43,349     | 3,634            | 8.4%     |
| Internal, sublet and other     | 88,868                            | 83,740     | 5,128            | 6.1%     |
| Total                          | \$ 325,740                        | \$ 309,600 | \$ 16,140        | 5.2%     |
| Gross profit                   |                                   |            |                  |          |
| Customer pay                   | \$ 77,546                         | \$ 75,203  | \$ 2,343         | 3.1%     |
| Warranty                       | 26,254                            | 24,374     | 1,880            | 7.7%     |
| Wholesale parts                | 8,122                             | 7,881      | 241              | 3.1%     |
| Internal, sublet and other     | 43,358                            | 41,689     | 1,669            | 4.0%     |
| Total                          | \$ 155,280                        | \$ 149,147 | \$ 6,133         | 4.1%     |
| Gross profit as a % of revenue |                                   |            |                  |          |
| Customer pay                   | 54.8%                             | 54.9%      | (10)             | bps      |
| Warranty                       | 54.2%                             | 53.7%      | 50               | bps      |
| Wholesale parts                | 17.3%                             | 18.2%      | (90)             | bps      |
| Internal, sublet and other     | 48.8%                             | 49.8%      | (100)            | bps      |
| Total                          | 47.7%                             | 48.2%      | (50)             | bps      |

|                                | Nine Months Ended September 30, |            | Better / (Worse) |          |
|--------------------------------|---------------------------------|------------|------------------|----------|
|                                | 2014                            | 2013       | Change           | % Change |
| (In thousands)                 |                                 |            |                  |          |
| Reported:                      |                                 |            |                  |          |
| Revenue                        |                                 |            |                  |          |
| Customer pay                   | \$ 427,620                      | \$ 407,252 | \$ 20,368        | 5.0%     |
| Warranty                       | 142,072                         | 137,489    | 4,583            | 3.3%     |
| Wholesale parts                | 142,071                         | 124,870    | 17,201           | 13.8%    |
| Internal, sublet and other     | 261,883                         | 243,679    | 18,204           | 7.5%     |
| Total                          | \$ 973,646                      | \$ 913,290 | \$ 60,356        | 6.6%     |
| Gross profit                   |                                 |            |                  |          |
| Customer pay                   | \$ 235,151                      | \$ 224,485 | \$ 10,666        | 4.8%     |
| Warranty                       | 77,163                          | 74,657     | 2,506            | 3.4%     |
| Wholesale parts                | 24,590                          | 23,158     | 1,432            | 6.2%     |
| Internal, sublet and other     | 130,381                         | 122,206    | 8,175            | 6.7%     |
| Total                          | \$ 467,285                      | \$ 444,506 | \$ 22,779        | 5.1%     |
| Gross profit as a % of revenue |                                 |            |                  |          |
| Customer pay                   | 55.0%                           | 55.1%      | (10)             | bps      |
| Warranty                       | 54.3%                           | 54.3%      | 0                | bps      |
| Wholesale parts                | 17.3%                           | 18.5%      | (120)            | bps      |
| Internal, sublet and other     | 49.8%                           | 50.2%      | (40)             | bps      |
| Total                          | 48.0%                           | 48.7%      | (70)             | bps      |

**Sonic Automotive, Inc.  
Results of Operations (Unaudited)**

**Parts, Service and Collision Repair ("Fixed Operations")**

|                | Third Quarter Ended September 30, |            | Better / (Worse) |          |
|----------------|-----------------------------------|------------|------------------|----------|
|                | 2014                              | 2013       | Change           | % Change |
| (In thousands) |                                   |            |                  |          |
| Same Store:    |                                   |            |                  |          |
| Revenue        |                                   |            |                  |          |
| Customer pay   | \$ 137,639                        | \$ 133,451 | \$ 4,188         | 3.1%     |
| Warranty       | 47,383                            | 44,118     | 3,265            | 7.4%     |

|                                |                   |                   |                  |             |
|--------------------------------|-------------------|-------------------|------------------|-------------|
| Wholesale parts                | 45,945            | 42,649            | 3,296            | 7.7%        |
| Internal, sublet and other     | 87,166            | 81,964            | 5,202            | 6.3%        |
| Total                          | <u>\$ 318,133</u> | <u>\$ 302,182</u> | <u>\$ 15,951</u> | <u>5.3%</u> |
| Gross profit                   |                   |                   |                  |             |
| Customer pay                   | \$ 75,546         | \$ 73,255         | \$ 2,291         | 3.1%        |
| Warranty                       | 25,766            | 23,660            | 2,106            | 8.9%        |
| Wholesale parts                | 7,859             | 7,717             | 142              | 1.8%        |
| Internal, sublet and other     | 42,411            | 40,498            | 1,913            | 4.7%        |
| Total                          | <u>\$ 151,582</u> | <u>\$ 145,130</u> | <u>\$ 6,452</u>  | <u>4.4%</u> |
| Gross profit as a % of revenue |                   |                   |                  |             |
| Customer pay                   | 54.9%             | 54.9%             | 0                | bps         |
| Warranty                       | 54.4%             | 53.6%             | 80               | bps         |
| Wholesale parts                | 17.1%             | 18.1%             | (100)            | bps         |
| Internal, sublet and other     | 48.7%             | 49.4%             | (70)             | bps         |
| Total                          | <u>47.6%</u>      | <u>48.0%</u>      | <u>(40)</u>      | <u>bps</u>  |

|                                | Nine Months Ended September 30, |                   | Better / (Worse) |             |
|--------------------------------|---------------------------------|-------------------|------------------|-------------|
|                                | 2014                            | 2013              | Change           | % Change    |
| Same Store:                    | (In thousands)                  |                   |                  |             |
| Revenue                        |                                 |                   |                  |             |
| Customer pay                   | \$ 408,504                      | \$ 398,444        | \$ 10,060        | 2.5%        |
| Warranty                       | 136,337                         | 133,952           | 2,385            | 1.8%        |
| Wholesale parts                | 137,461                         | 123,360           | 14,101           | 11.4%       |
| Internal, sublet and other     | 253,720                         | 238,881           | 14,839           | 6.2%        |
| Total                          | <u>\$ 936,022</u>               | <u>\$ 894,637</u> | <u>\$ 41,385</u> | <u>4.6%</u> |
| Gross profit                   |                                 |                   |                  |             |
| Customer pay                   | \$ 225,232                      | \$ 219,888        | \$ 5,344         | 2.4%        |
| Warranty                       | 74,190                          | 73,048            | 1,142            | 1.6%        |
| Wholesale parts                | 23,343                          | 22,808            | 535              | 2.3%        |
| Internal, sublet and other     | 125,740                         | 119,252           | 6,488            | 5.4%        |
| Total                          | <u>\$ 448,505</u>               | <u>\$ 434,996</u> | <u>\$ 13,509</u> | <u>3.1%</u> |
| Gross profit as a % of revenue |                                 |                   |                  |             |
| Customer pay                   | 55.1%                           | 55.2%             | (10)             | bps         |
| Warranty                       | 54.4%                           | 54.5%             | (10)             | bps         |
| Wholesale parts                | 17.0%                           | 18.5%             | (150)            | bps         |
| Internal, sublet and other     | 49.6%                           | 49.9%             | (30)             | bps         |
| Total                          | <u>47.9%</u>                    | <u>48.6%</u>      | <u>(70)</u>      | <u>bps</u>  |

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

**Finance, Insurance and Other, Net ("F&I")**

|   | Third Quarter Ended September 30,    |           | Better / (Worse) |          |
|---|--------------------------------------|-----------|------------------|----------|
|   | 2014                                 | 2013      | Change           | % Change |
|   | (In thousands, except per unit data) |           |                  |          |
| Reported:                                     |                                      |           |                  |          |
| Revenue                                       | \$ 77,024                            | \$ 68,747 | \$ 8,277         | 12.0%    |
| Gross profit per retail unit (excludes fleet) | \$ 1,207                             | \$ 1,114  | \$ 93            | 8.3%     |

|   | Nine Months Ended September 30,      |            | Better / (Worse) |          |
|---|--------------------------------------|------------|------------------|----------|
|   | 2014                                 | 2013       | Change           | % Change |
|   | (In thousands, except per unit data) |            |                  |          |
| Reported:                                     |                                      |            |                  |          |
| Revenue                                       | \$ 223,340                           | \$ 203,461 | \$ 19,879        | 9.8%     |
| Gross profit per retail unit (excludes fleet) | \$ 1,208                             | \$ 1,136   | \$ 72            | 6.3%     |

|   | Third Quarter Ended September 30,    |           | Better / (Worse) |          |
|---|--------------------------------------|-----------|------------------|----------|
|   | 2014                                 | 2013      | Change           | % Change |
|   | (In thousands, except per unit data) |           |                  |          |
| Same Store:                                   |                                      |           |                  |          |
| Revenue                                       | \$ 76,386                            | \$ 67,611 | \$ 8,775         | 13.0%    |
| Gross profit per retail unit (excludes fleet) | \$ 1,213                             | \$ 1,118  | \$ 95            | 8.5%     |

|   | Nine Months Ended September 30,      |            | Better / (Worse) |          |
|---|--------------------------------------|------------|------------------|----------|
|   | 2014                                 | 2013       | Change           | % Change |
|   | (In thousands, except per unit data) |            |                  |          |
| Same Store:                                   |                                      |            |                  |          |
| Revenue                                       | \$ 218,160                           | \$ 200,589 | \$ 17,571        | 8.8%     |
| Gross profit per retail unit (excludes fleet) | \$ 1,211                             | \$ 1,141   | \$ 70            | 6.1%     |

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

**Selling, General and Administrative ("SG&A") Expenses**

|                                      | Third Quarter Ended September 30, |                   | Better / (Worse)   |               |
|--------------------------------------|-----------------------------------|-------------------|--------------------|---------------|
|                                      | 2014                              | 2013              | Change             | % Change      |
|                                      | (In thousands)                    |                   |                    |               |
| Reported:                            |                                   |                   |                    |               |
| Compensation                         | \$ 163,230                        | \$ 151,683        | \$ (11,547)        | (7.6%)        |
| Advertising                          | 14,045                            | 14,132            | 87                 | 0.6%          |
| Rent                                 | 18,145                            | 18,901            | 756                | 4.0%          |
| Other                                | 74,724                            | 69,848            | (4,876)            | (7.0%)        |
| Total                                | <u>\$ 270,144</u>                 | <u>\$ 254,564</u> | <u>\$ (15,580)</u> | <u>(6.1%)</u> |
| SG&A expenses as a % of gross profit |                                   |                   |                    |               |
| Compensation                         | 47.8%                             | 46.5%             | (130)              | bps           |
| Advertising                          | 4.1%                              | 4.3%              | 20                 | bps           |
| Rent                                 | 5.3%                              | 5.8%              | 50                 | bps           |
| Other                                | 21.9%                             | 21.5%             | (40)               | bps           |
| Total                                | <u>79.1%</u>                      | <u>78.1%</u>      | <u>(100)</u>       | <u>bps</u>    |

|                                      | Nine Months Ended September 30, |                   | Better / (Worse)   |               |
|--------------------------------------|---------------------------------|-------------------|--------------------|---------------|
|                                      | 2014                            | 2013              | Change             | % Change      |
|                                      | (In thousands)                  |                   |                    |               |
| Reported:                            |                                 |                   |                    |               |
| Compensation                         | \$ 483,493                      | \$ 449,791        | \$ (33,702)        | (7.5%)        |
| Advertising                          | 42,027                          | 41,282            | (745)              | (1.8%)        |
| Rent                                 | 55,324                          | 56,344            | 1,020              | 1.8%          |
| Other                                | 222,187                         | 201,062           | (21,125)           | (10.5%)       |
| Total                                | <u>\$ 803,031</u>               | <u>\$ 748,479</u> | <u>\$ (54,552)</u> | <u>(7.3%)</u> |
| SG&A expenses as a % of gross profit |                                 |                   |                    |               |
| Compensation                         | 47.5%                           | 46.7%             | (80)               | bps           |
| Advertising                          | 4.1%                            | 4.3%              | 20                 | bps           |
| Rent                                 | 5.4%                            | 5.9%              | 50                 | bps           |
| Other                                | 21.9%                           | 20.8%             | (110)              | bps           |
| Total                                | <u>78.9%</u>                    | <u>77.7%</u>      | <u>(120)</u>       | <u>bps</u>    |

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/sonic-automotive-inc-reports-all-time-record-new-retail-unit-sales-and-q3-total-gross-profit-221950569.html>

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