

February 24, 2015



Sonic Automotive, Inc. Reports Record Results and Launch of EchoPark® Automotive

Adjusted Continuing Operations Quarterly EPS of \$0.63

CHARLOTTE, N.C., Feb. 24, 2015 /PRNewswire/ --

Fourth Quarter 2014 Results

- Record Q4 new retail units of 34,755, up 2.2%, over the prior year quarter
- Record Q4 pre-owned units and gross profit of 26,406 and \$37.8 million, respectively
- Record Q4 fixed operations gross profit of \$156.3 million, up 2.4% over the prior year quarter
- Record Q4 total gross profit of \$348.5 million, up 2.9% over the prior year quarter
- EchoPark® stores in Denver open for business
- One Sonic-One Experience launched in Charlotte

Full Year 2014 Results

- Retailed an annual record new retail and pre-owned units of 135,932 and 110,113, respectively
- Record annual pre-owned gross profit of \$157.2 million
- Record annual fixed operations gross profit of \$623.5 million
- Record annual total gross profit of \$1.4 billion
- Near record pre-tax income from continuing operations of \$161.7 million

Sonic Automotive, Inc. (NYSE: SAH), one of the nation's largest automotive retailers, today reported adjusted net income from continuing operations for the fourth quarter of 2014 of \$32.5 million, or \$0.63 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$7.1 million, or \$0.08 per diluted share, related to the Company's EchoPark® initiative and \$3.8 million, or \$0.05 per diluted share, related to its One Sonic-One Experience initiative.

Adjusted net income from continuing operations for the fourth quarter of 2013 was \$35.6 million, or \$0.67 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$2.2 million, or \$0.03 per diluted share, related to the Company's EchoPark® initiative and \$2.1 million, or \$0.02 per diluted share, related to its One Sonic-One Experience initiative.

On a GAAP basis, net income from continuing operations and related diluted earnings per share for the fourth quarter 2014 were \$27.0 million and \$0.52 per share, respectively,

compared to \$29.6 million and \$0.55 per diluted share for the fourth quarter of 2013. See the accompanying tables for details of quarterly adjustments.

Sonic reported full year 2014 adjusted net income from continuing operations of \$100.0 million, or \$1.90 per diluted share, that includes expenses of \$15.7 million, or \$0.18 per diluted share, related to the Company's EchoPark® initiative and \$10.4 million, or \$0.12 per diluted share, related to its One Sonic-One Experience initiative.

For the full year of 2013, Sonic reported adjusted net income from continuing operations of \$108.4 million, or \$2.03 per diluted share that includes expenses of \$5.5 million, or \$0.07 per diluted share, related to EchoPark® and \$6.7 million, or \$0.08 per diluted share, related its One Sonic-One Experience initiative.

On a GAAP basis, net income from continuing operations for full year of 2014 was \$98.6 million, or \$1.87 per diluted share, compared to full year 2013 results of \$84.7 million, or \$1.59 per diluted share. See the accompanying tables for details of annual adjustments.

Jeff Dyke, Sonic's EVP of Operations, stated, "I could not be more pleased with our team's performance in the fourth quarter and for the year. We started 2014 with a huge calendar including launching both EchoPark® and One Sonic-One Experience all in the fourth quarter of 2014. The amount of preparation and effort that went into launching these critical programs was second to none and I want to personally thank everyone for the hard work and dedication it took to successfully bring both projects to life. We look forward to sharing our progress as the projects gain momentum. Despite the time and energy dedicated to the EchoPark® and One Sonic-One Experience initiatives, our operations team was able to turn in a record breaking quarter and year. December was the biggest gross and profit month in our Company's history for any year or store count!

We expect 2015 to be another great year as our team works diligently to deliver on our goals with EchoPark® and One Sonic-One Experience. We are confident that as the year progresses we will be able to announce our second market for both EchoPark® and One Sonic-One Experience."

2015 Outlook

B. Scott Smith, the Company's President, noted, "I am very pleased with the performance of our team in the fourth quarter, especially considering the various initiatives we have tasked the team with during the year. In addition to our internal initiatives, during the fourth quarter we purchased Cherry Creek Chevrolet and Land Rover of Roaring Fork, both located in the Denver, Colorado market. We have also been awarded Mercedes Benz and Audi add points during the year. The Mercedes Benz add point is located in McKinney, Texas and we believe it will be operational by the second quarter of 2016. The Audi add point is located in the Pensacola, Florida area and we expect opening this point in late 2016. The additions of these premium luxury brands will prove to augment our existing luxury brand portfolio. We are dedicated to our EchoPark®, One Sonic-One Experience and growth through acquisitions initiatives and will continue to invest in these initiatives in 2015. We expect 2015 to continue to be favorable to dealers and anticipate new vehicle industry volume to be between 16.5 million and 17.0 million units. We project diluted earnings per share from continuing operations for 2015 to be between \$1.85 and \$1.95 per share. Excluding the

effects of EchoPark on this range, adjusted diluted earnings per share from continuing operations from our historical franchised group of stores is expected to be between \$2.01 and \$2.11 per share. We will have additional comments on our 2015 outlook in our earnings call later today."

Fourth 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, 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 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: 74193723

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: 74193723

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 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 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 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.

	Fourth Quarter Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
	(In thousands, except per share and unit data)			
Revenues:				
	\$	\$	\$	\$
New retail vehicles	1,337,896	1,299,444	5,046,010	4,819,787
Fleet vehicles	12,899	38,254	78,019	169,398
Total new vehicles	1,350,795	1,337,698	5,124,029	4,989,185
Used vehicles	562,993	551,028	2,310,247	2,176,034
Wholesale vehicles	38,361	40,772	166,158	175,328
Total vehicles	1,952,149	1,929,498	7,600,434	7,340,547
Parts, service and collision repair	322,924	316,888	1,296,570	1,230,178
Finance, insurance and other, net	76,755	68,983	300,095	272,443
Total revenues	2,351,828	2,315,369	9,197,099	8,843,168
Gross profit	348,464	338,700	1,365,900	1,301,607
Selling, general and administrative expenses	(264,402)	(254,647)	(1,067,433)	(1,003,125)
Impairment charges	(6,379)	(9,803)	(6,594)	(9,872)
Depreciation and amortization	(15,213)	(14,986)	(58,260)	(54,007)
Operating income (loss)	62,470	59,264	233,613	234,603
Other income (expense):				
Interest expense, floor plan	(4,852)	(5,688)	(18,793)	(21,954)
Interest expense, other, net	(12,614)	(13,183)	(53,190)	(55,485)
Other income (expense), net	(2)	1	97	(28,143)
Total other income (expense)	(17,468)	(18,870)	(71,886)	(105,582)
Income (loss) from continuing operations before taxes	45,002	40,394	161,727	129,021
Provision for income taxes - benefit (expense)	(18,045)	(10,832)	(63,168)	(44,343)
Income (loss) from continuing operations	26,957	29,562	98,559	84,678
Income (loss) from discontinued operations	(831)	(1,478)	(1,342)	(3,060)
	\$	\$	\$	\$
Net income (loss)	26,126	28,084	97,217	81,618
Diluted earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$ 0.52	\$ 0.55	\$ 1.87	\$ 1.59
Earnings (loss) per share from discontinued operations	(0.02)	(0.02)	(0.03)	(0.06)
	\$	\$	\$	\$
Earnings (loss) per common share	0.50	0.53	1.84	1.53
Weighted average common shares outstanding	51,834	52,974	52,563	52,941
Gross Margin Data (Continuing Operations):				
New retail vehicles	5.9%	6.3%	5.7%	5.9%
Fleet vehicles	1.1%	2.2%	1.9%	2.6%
Total new vehicles	5.8%	6.2%	5.6%	5.8%
Used vehicles	6.7%	6.5%	6.8%	6.9%
Wholesale vehicles	(2.9%)	(3.9%)	(2.2%)	(4.5%)
Parts, service and collision repair	48.4%	48.2%	48.1%	48.5%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	14.8%	14.6%	14.9%	14.7%
SG&A Expenses (Continuing Operations):				
	\$	\$	\$	\$
Compensation (4)	155,382	151,704	638,875	601,495
Advertising	15,409	15,327	57,437	56,609
Rent	18,384	17,632	73,707	73,976
Other (5)	75,227	69,984	297,414	271,045
	\$	\$	\$	\$
Total SG&A expenses	264,402	254,647	1,067,433	1,003,125

SG&A expenses as % of gross profit	75.9%	75.2%	78.1%	77.1%
Operating Margin %	2.7%	2.6%	2.5%	2.7%
Unit Data (Continuing Operations):				
New retail units	34,755	34,001	135,932	132,363
Fleet units	352	1,250	2,485	5,911
Total new units	35,107	35,251	138,417	138,274
Used units	26,406	26,354	110,113	107,054
Wholesale units	6,912	6,670	29,946	29,961

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Per Share Data

Fourth Quarter Ended December 31, 2014						
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Average		Net Income (Loss)	
	Per Share Amount		Per Share Amount		Per Share Amount	
	Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)						
Reported:						
Earnings (loss) and shares	51,272	\$ 26,957	\$ (831)		\$ 26,126	
Effect of participating securities:						
Non-vested restricted stock and stock units		(86)	-		(86)	
Basic earnings (loss) and shares	51,272	\$ 26,871	\$ (831)	\$ (0.01)	\$ 26,040	\$ 0.51
Effect of dilutive securities:						
Stock compensation plans	562					
Diluted earnings (loss) and shares (1)	51,834	\$ 26,871	\$ (831)	\$ (0.02)	\$ 26,040	\$ 0.50
Adjustments (net of tax):						
Fire and severe storm damage		\$ 594	\$ -	\$ -	\$ 594	\$ 0.01
Legal and other		355	-	-	355	-
Impairment charges		3,943	-	-	3,943	0.08
Gain on disposal of franchises		(157)	-	-	(157)	-
Permanent tax difference from disposals		853	-		853	0.02
Total adjustments		\$ 5,588	\$ -	\$ -	\$ 5,588	\$ 0.11
Adjusted:						
Earnings (loss) and						
Diluted earnings (loss) per share		\$ 32,545	\$ (831)	\$ (0.02)	\$ 31,714	\$ 0.61

(1) Expenses attributable to the EchoPark® initiative were \$0.08 per fully diluted share in the fourth quarter of 2014.

Fourth Quarter Ended December 31, 2013				
Weighted	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations	
	Per		Per	
	Per		Per	

	Average Shares	Amount	Share Amount	Amount	Share Amount	Amount	Share Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares	52,492	\$ 29,562		\$ (1,478)		\$ 28,084	
Effect of participating securities:							
Non-vested restricted stock and stock units		(208)		-		(208)	
Basic earnings (loss) and shares	52,492	\$ 29,354	\$ 0.56	\$ (1,478)	\$ (0.03)	\$ 27,876	\$ 0.53
Effect of dilutive securities:							
Stock compensation plans	482						
Diluted earnings (loss) and shares (2)	52,974	\$ 29,354	\$ 0.55	\$ (1,478)	\$ (0.02)	\$ 27,876	\$ 0.53
Adjustments (net of tax):							
Impairment Charges		\$ 6,022	\$ 0.11	\$ -	\$ -	\$ 6,022	\$ 0.11
Effect of two-class method & rounding		-	0.01	-	(0.01)	-	-
Total adjustments		\$ 6,022	\$ 0.12	\$ -	\$ (0.01)	\$ 6,022	\$ 0.11
Adjusted:							
Earnings (loss) and		\$		\$		\$	
Diluted earnings (loss) per share		35,584	\$ 0.67	\$ (1,478)	\$ (0.03)	34,106	\$ 0.64

(2) Expenses attributable to the EchoPark® initiative were \$0.03 per fully diluted share in the fourth quarter of 2013.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Per Share Data

	Year Ended December 31, 2014					
	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
	Per Share Amount		Per Share Amount		Per Share Amount	
	Weighted Average Shares	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)						
Reported:						
Earnings (loss) and shares	52,065	\$ 98,559		\$ (1,342)		\$ 97,217
Effect of participating securities:						
Non-vested restricted stock and stock units		(311)		-		(311)
Basic earnings (loss) and shares	52,065	\$ 98,248	\$ 1.89	\$ (1,342)	\$ (0.03)	\$ 96,906
Effect of dilutive securities:						
Stock compensation plans	498					
Diluted earnings (loss) and shares (3)	52,563	\$ 98,248	\$ 1.87	\$ (1,342)	\$ (0.03)	\$ 96,906
Adjustments (net of tax):						
Fire and severe storm damage		\$ 2,685	\$ 0.05	\$ -	\$ -	\$ 2,685
Legal and other		749	0.01	-	-	749
Impairment charges		4,459	0.08	-	-	4,459

Gain on disposal of franchises	(7,273)	(0.14)	-	-	(7,273)	(0.14)
Permanent tax difference from disposals	853	0.02	-	-	853	0.02
Lease exit adjustments	-	-	(844)	(0.02)	(844)	(0.02)
Effect of two-class method & rounding	-	0.01	-	0.01	-	0.02
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total adjustments	1,473	0.03	(844)	(0.01)	629	0.02

Adjusted:

Earnings (loss) and						
Diluted earnings (loss) per share	\$	<u>\$</u>	\$	<u>\$</u>	\$	<u>\$</u>
	100,032	1.90	(2,186)	(0.04)	97,846	1.86

(3) Expenses attributable to the EchoPark® initiative were \$0.18 per fully diluted share in the year ended December 31, 2014.

Year Ended December 31, 2013						
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
	Per Share Amount		Per Share Amount		Per Share Amount	
	Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)						
Reported:						
Earnings (loss) and shares	52,556	\$ 84,678		\$ (3,060)		\$ 81,618
Effect of participating securities: Non-vested restricted stock and stock units		(601)		-		(601)
		\$		\$		\$
Basic earnings (loss) and shares	52,556	84,077	1.60	(3,060)	(0.06)	81,017
Effect of dilutive securities:						
Stock compensation plans	385					
Diluted earnings (loss) and shares (4)	<u>52,941</u>	<u>\$ 84,077</u>	<u>1.59</u>	<u>(3,060)</u>	<u>(0.06)</u>	<u>\$ 81,017</u>
		\$		\$		\$
Adjustments (net of tax):						
Impairment Charges		6,022	0.11	-	-	6,022
Double-carry interest		17,704	0.33	-	-	17,704
Effect of two-class method & rounding		-	-	-	0.01	-
		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total adjustments		23,726	0.44	-	0.01	23,726
Adjusted:						
Earnings (loss) and						
Diluted earnings (loss) per share		\$	<u>\$</u>	\$	<u>\$</u>	\$
		108,404	2.03	(3,060)	(0.05)	105,344

(4) Expenses attributable to the EchoPark® initiative were \$0.07 per fully diluted share in the year ended December 31, 2014.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

New Vehicles

Fourth Quarter Ended December 31,

Better / (Worse)

	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 1,350,795	\$ 1,337,698	\$ 13,097	1.0%
Gross profit	\$ 78,734	\$ 82,936	\$ (4,202)	(5.1%)
Unit sales	35,107	35,251	(144)	(0.4%)
Revenue per unit	\$ 38,477	\$ 37,948	\$ 529	1.4%
Gross profit per unit	\$ 2,243	\$ 2,353	\$ (110)	(4.7%)
Gross profit as a % of revenue	5.8%	6.2%	(40) bps	

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 5,124,029	\$ 4,989,185	\$ 134,844	2.7%
Gross profit	\$ 288,626	\$ 289,603	\$ (977)	(0.3%)
Unit sales	138,417	138,274	143	0.1%
Revenue per unit	\$ 37,019	\$ 36,082	\$ 937	2.6%
Gross profit per unit	\$ 2,085	\$ 2,094	\$ (9)	(0.4%)
Gross profit as a % of revenue	5.6%	5.8%	(20) bps	

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 1,338,612	\$ 1,292,378	\$ 46,234	3.6%
Gross profit	\$ 78,136	\$ 80,604	\$ (2,468)	(3.1%)
Unit sales	34,723	34,006	717	2.1%
Revenue per unit	\$ 38,551	\$ 38,004	\$ 547	1.4%
Gross profit per unit	\$ 2,250	\$ 2,370	\$ (120)	(5.1%)
Gross profit as a % of revenue	5.8%	6.2%	(40) bps	

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 4,953,201	\$ 4,818,937	\$ 134,264	2.8%
Gross profit	\$ 278,938	\$ 280,225	\$ (1,287)	(0.5%)
Unit sales	134,059	133,578	481	0.4%
Revenue per unit	\$ 36,948	\$ 36,076	\$ 872	2.4%
Gross profit per unit	\$ 2,081	\$ 2,098	\$ (17)	(0.8%)
Gross profit as a % of revenue	5.6%	5.8%	(20) bps	

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

Used Vehicles

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 562,993	\$ 551,028	\$ 11,965	2.2%
Gross profit	\$ 37,834	\$ 35,784	\$ 2,050	5.7%
Unit sales	26,406	26,354	52	0.2%
Revenue per unit	\$ 21,321	\$ 20,909	\$ 412	2.0%
Gross profit per unit	\$ 1,433	\$ 1,358	\$ 75	5.5%
Gross profit as a % of revenue	6.7%	6.5%	20 bps	

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 2,310,247	\$ 2,176,034	\$ 134,213	6.2%

Gross profit	\$	157,246	\$	150,400	\$	6,846	4.6%
Unit sales		110,113		107,054		3,059	2.9%
Revenue per unit	\$	20,981	\$	20,327	\$	654	3.2%
Gross profit per unit	\$	1,428	\$	1,405	\$	23	1.6%
Gross profit as a % of revenue		6.8%		6.9%		(10) bps	

	Fourth Quarter Ended December 31,		Better / (Worse)				
	2014	2013	Change	% Change			
	(In thousands, except units and per unit data)						
Same Store:							
Revenue	\$	551,576	\$	529,846	\$	21,730	4.1%
Gross profit	\$	36,945	\$	34,255	\$	2,690	7.9%
Unit sales		25,784		25,322		462	1.8%
Revenue per unit	\$	21,392	\$	20,924	\$	468	2.2%
Gross profit per unit	\$	1,433	\$	1,353	\$	80	5.9%
Gross profit as a % of revenue		6.7%		6.5%		20	bps

	Year Ended December 31,		Better / (Worse)				
	2014	2013	Change	% Change			
	(In thousands, except units and per unit data)						
Same Store:							
Revenue	\$	2,200,362	\$	2,085,069	\$	115,293	5.5%
Gross profit	\$	150,990	\$	144,253	\$	6,737	4.7%
Unit sales		105,057		102,597		2,460	2.4%
Revenue per unit	\$	20,944	\$	20,323	\$	621	3.1%
Gross profit per unit	\$	1,437	\$	1,406	\$	31	2.2%
Gross profit as a % of revenue		6.9%		6.9%		0 bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Wholesale Vehicles

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 38,361	\$ 40,772	\$ (2,411)	(5.9%)
Gross profit (loss)	\$ (1,122)	\$ (1,589)	467	29.4%
Unit sales	6,912	6,670	242	3.6%
Revenue per unit	\$ 5,550	\$ 6,113	\$ (563)	(9.2%)
Gross profit (loss) per unit	\$ (162)	\$ (238)	76	31.9%
Gross profit (loss) as a % of revenue	(2.9%)	(3.9%)	100 bps	

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 166,158	\$ 175,328	\$ (9,170)	(5.2%)
Gross profit (loss)	\$ (3,616)	\$ (7,931)	\$ 4,315	54.4%
Unit sales	29,946	29,961	(15)	(0.1%)
Revenue per unit	\$ 5,549	\$ 5,852	\$ (303)	(5.2%)
Gross profit (loss) per unit	\$ (121)	\$ (265)	144	54.3%
Gross profit (loss) as a % of revenue	(2.2%)	(4.5%)	230 bps	

	Fourth Quarter Ended December 31,	Better / (Worse)
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	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 37,572	\$ 39,745	\$ (2,173)	(5.5%)
Gross profit (loss)	\$ (939)	\$ (1,493)	554	37.1%
Unit sales	6,803	6,478	325	5.0%
Revenue per unit	\$ 5,523	\$ 6,135	\$ (612)	(10.0%)
Gross profit (loss) per unit	\$ (138)	\$ (230)	92	40.0%
Gross profit (loss) as a % of revenue	(2.5%)	(3.8%)	130 bps	

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 159,263	\$ 170,489	\$ (11,226)	(6.6%)
Gross profit (loss)	\$ (3,175)	\$ (7,305)	4,130	56.5%
Unit sales	28,885	29,092	(207)	(0.7%)
Revenue per unit	\$ 5,514	\$ 5,860	\$ (346)	(5.9%)
Gross profit (loss) per unit	\$ (110)	\$ (251)	141	56.2%
Gross profit (loss) as a % of revenue	(2.0%)	(4.3%)	230 bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands)			
Reported:				
Revenue				
Customer pay	\$ 137,524	\$ 139,443	\$ (1,919)	(1.4%)
Warranty	52,396	50,572	1,824	3.6%
Wholesale parts	46,615	44,468	2,147	4.8%
Internal, sublet and other	86,389	82,405	3,984	4.8%
Total	\$ 322,924	\$ 316,888	\$ 6,036	1.9%
Gross profit				
Customer pay	\$ 74,734	\$ 76,315	\$ (1,581)	(2.1%)
Warranty	29,135	26,694	2,441	9.1%
Wholesale parts	8,042	8,084	(42)	(0.5%)
Internal, sublet and other	44,353	41,493	2,860	6.9%
Total	\$ 156,264	\$ 152,586	\$ 3,678	2.4%
Gross profit as a % of revenue				
Customer pay	54.3%	54.7%	(40) bps	
Warranty	55.6%	52.8%	280 bps	
Wholesale parts	17.3%	18.2%	(90) bps	
Internal, sublet and other	51.3%	50.4%	90 bps	
Total	48.4%	48.2%	20 bps	

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands)			
Reported:				
Revenue				
Customer pay	\$ 565,144	\$ 546,695	\$ 18,449	3.4%
Warranty	194,468	188,061	6,407	3.4%
Wholesale parts	188,687	169,338	19,349	11.4%

Internal, sublet and other	348,271	326,084	22,187	6.8%
Total	<u>\$ 1,296,570</u>	<u>\$ 1,230,178</u>	<u>\$ 66,392</u>	<u>5.4%</u>
Gross profit				
Customer pay	\$ 309,885	\$ 300,800	\$ 9,085	3.0%
Warranty	106,298	101,351	4,947	4.9%
Wholesale parts	32,633	31,242	1,391	4.5%
Internal, sublet and other	174,733	163,699	11,034	6.7%
Total	<u>\$ 623,549</u>	<u>\$ 597,092</u>	<u>\$ 26,457</u>	<u>4.4%</u>
Gross profit as a % of revenue				
Customer pay	54.8%	55.0%	(20) bps	
Warranty	54.7%	53.9%	80 bps	
Wholesale parts	17.3%	18.4%	(110) bps	
Internal, sublet and other	50.2%	50.2%	0 bps	
Total	<u>48.1%</u>	<u>48.5%</u>	<u>(40) bps</u>	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
Same Store:	(In thousands)			
Revenue				
Customer pay	\$ 135,913	\$ 134,788	\$ 1,125	0.8%
Warranty	51,832	48,565	3,267	6.7%
Wholesale parts	46,099	43,107	2,992	6.9%
Internal, sublet and other	84,174	79,693	4,481	5.6%
Total	<u>\$ 318,018</u>	<u>\$ 306,153</u>	<u>\$ 11,865</u>	<u>3.9%</u>
Gross profit				
Customer pay	\$ 73,891	\$ 73,824	\$ 67	0.1%
Warranty	28,861	25,736	3,125	12.1%
Wholesale parts	7,941	7,814	127	1.6%
Internal, sublet and other	43,043	39,877	3,166	7.9%
Total	<u>\$ 153,736</u>	<u>\$ 147,251</u>	<u>\$ 6,485</u>	<u>4.4%</u>
Gross profit as a % of revenue				
Customer pay	54.4%	54.8%	(40) bps	
Warranty	55.7%	53.0%	270 bps	
Wholesale parts	17.2%	18.1%	(90) bps	
Internal, sublet and other	51.1%	50.0%	110 bps	
Total	<u>48.3%</u>	<u>48.1%</u>	<u>20 bps</u>	
	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
Same Store:	(In thousands)			
Revenue				
Customer pay	\$ 538,930	\$ 527,034	\$ 11,896	2.3%
Warranty	185,526	180,125	5,401	3.0%
Wholesale parts	181,058	163,979	17,079	10.4%
Internal, sublet and other	334,166	314,529	19,637	6.2%
Total	<u>\$ 1,239,680</u>	<u>\$ 1,185,667</u>	<u>\$ 54,013</u>	<u>4.6%</u>
Gross profit				
Customer pay	\$ 296,160	\$ 290,238	\$ 5,922	2.0%
Warranty	101,689	97,581	4,108	4.2%
Wholesale parts	30,804	30,143	661	2.2%
Internal, sublet and other	166,909	157,123	9,786	6.2%
Total	<u>\$ 595,562</u>	<u>\$ 575,085</u>	<u>\$ 20,477</u>	<u>3.6%</u>
Gross profit as a % of revenue				
Customer pay	55.0%	55.1%	(10) bps	
Warranty	54.8%	54.2%	60 bps	
Wholesale parts	17.0%	18.4%	(140) bps	
Internal, sublet and other	49.9%	50.0%	(10) bps	

Total	48.0%	48.5%	(50) bps
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**Sonic Automotive, Inc.
Results of Operations (Unaudited)**

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

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except per unit data)			
Reported:				
Revenue	\$ 76,755	\$ 68,983	\$ 7,772	11.3%
Gross profit per retail unit (excludes fleet)	\$ 1,255	\$ 1,143	\$ 112	9.8%

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except per unit data)			
Reported:				
Revenue	\$ 300,095	\$ 272,443	\$ 27,652	10.1%
Gross profit per retail unit (excludes fleet)	\$ 1,220	\$ 1,138	\$ 82	7.2%

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except per unit data)			
Same Store:				
Revenue	\$ 75,745	\$ 66,476	\$ 9,269	13.9%
Gross profit per retail unit (excludes fleet)	\$ 1,259	\$ 1,145	\$ 114	10.0%

	Year Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands, except per unit data)			
Same Store:				
Revenue	\$ 289,833	\$ 263,038	\$ 26,795	10.2%
Gross profit per retail unit (excludes fleet)	\$ 1,225	\$ 1,142	\$ 83	7.3%

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

	Fourth Quarter Ended December 31,		Better / (Worse)	
	2014	2013	Change	% Change
	(In thousands)			

Reported:

	\$	\$	\$	
Compensation	155,382	151,704	(3,678)	(2.4%)
Advertising	15,409	15,327	(82)	(0.5%)
Rent	18,384	17,632	(752)	(4.3%)
Other	75,227	69,984	(5,243)	(7.5%)
	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Total	264,402	254,647	(9,755)	(3.8%)
SG&A expenses as a % of gross profit				
Compensation	44.6%	44.8%	20 bps	
Advertising	4.4%	4.5%	10 bps	
Rent	5.3%	5.2%	(10) bps	
Other	21.6%	20.7%	(90) bps	
Total	<u>75.9%</u>	<u>75.2%</u>	<u>(70) bps</u>	

Year Ended December 31,

Better / (Worse)

2014

2013

Change

%

Change

(In thousands)

Reported:

	\$	\$	\$	
Compensation	638,875	601,495	(37,380)	(6.2%)
Advertising	57,437	56,609	(828)	(1.5%)
Rent	73,707	73,976	269	0.4%
Other	297,414	271,045	(26,369)	(9.7%)
	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Total	1,067,433	1,003,125	(64,308)	(6.4%)
SG&A expenses as a % of gross profit				
Compensation	46.8%	46.2%	(60) bps	
Advertising	4.2%	4.3%	10 bps	
Rent	5.4%	5.7%	30 bps	
Other	21.7%	20.9%	(80) bps	
Total	<u>78.1%</u>	<u>77.1%</u>	<u>(100) bps</u>	

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