

May 8, 2009



## **Sonic Automotive, Inc. Reports Solid First Quarter Earnings**

*Sets New Car Market Share Records, Raises its Annualized Cost Reduction Target to \$135 Million*

CHARLOTTE, N.C., May 8 /PRNewswire-FirstCall/ -- Sonic Automotive, Inc. (NYSE: SAH), the nation's third-largest automotive retailer, today reported that 2009 first quarter earnings from continuing operations were \$5.4 million, or \$0.13 per diluted share, before adoption of APB 14-1. The Company's first quarter of 2009 also included pretax expense of \$2.0 million, or \$0.03 per diluted share, related to the Company's successful debt restructuring efforts. Excluding these restructuring charges, first-quarter profit from continuing operations was \$0.16 per diluted share before the adoption of APB 14-1, as shown in the attached reconciliation table.

B. Scott Smith, the Company's President said, "Our continued focus on executing the basic blocking and tackling of our playbook produced solid results in the most difficult automotive business environment in at least a generation. We made money and moved the business forward, demonstrating the power of Sonic's ongoing business strategy. Our playbook execution, including Pre-Owned, e-Commerce and Fixed Operations, provided the needed support as the new vehicle environment continued to struggle."

"We are very pleased that despite the adversity in the new vehicle environment, Sonic set all-time new car market share records during the quarter. Our advertising and internet marketing initiatives resulted in 83 of our dealerships taking share by exceeding their local markets for the quarter. Our used vehicle business continues to outperform the industry confirming the fact that our pre-owned strategic initiatives are having a positive impact on our overall revenue mix and generating the intended results. Traffic to our internet websites was up 36%, and we posted the fourth highest customer pay quarter in our service department history."

Mr. Smith continued, "On the cost front, our SG&A expenses were down over \$23 million compared to the first quarter of last year. Adjusting our business model to respond to the current economy continues to be a primary focus. We made significant additional progress after announcing our cost reduction initiatives in March, and have raised our targeted annualized cost reductions to \$135 million compared to our previously disclosed projection of \$125 million. We believe that when SG&A is adjusted for rent, we are a top-performer among our peers."

"We have lowered our number of associates by roughly 10% over the last six months. We now have fewer people making more money. As a result, we're proud to say that our associate turnover is at an all-time low and associate satisfaction levels have never been

higher, all of which complement our all-time high customer satisfaction scores."

Presentation materials for the Company's May 8, 2009 earnings conference call at 11:00 A.M. (Eastern) can be accessed on the Company's website at [www.sonicautomotive.com](http://www.sonicautomotive.com) by clicking on the "For Investors" tab and choosing "Webcasts & Presentations" on the right side of the monitor.

To access the live broadcast of the call over the Internet go to: [www.ccbn.com](http://www.ccbn.com) or [www.sonicautomotive.com](http://www.sonicautomotive.com)

A live audio of the call will be accessible to the public by calling (877) 791-3416. International callers dial (706) 643-0958. Callers should dial in approximately 10 minutes before the call begins.

A conference call replay will be available one hour following the call for seven days and can be accessed by calling: 800-642-1687, Conference ID: 98605797, International callers dial (706) 645-9291.

### *About Sonic Automotive*

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is the nation's third-largest automotive retailer, operating 159 franchises. 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 cost reduction plans. 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, risks associated with acquisitions and the risk factors described in the Company's annual report on Form 10-K for the year ended December 31, 2008. The Company does not undertake any obligation to update forward-looking information.

Sonic Automotive, Inc.  
Results of Operations (Unaudited)  
(in thousands, except per share, unit data and percentage amounts)

|                     | Three Months Ended |           |
|---------------------|--------------------|-----------|
|                     | 3/31/2009          | 3/31/2008 |
|                     | -----              | -----     |
| Revenues            |                    |           |
| -----               |                    |           |
| New retail vehicles | \$573,275          | \$832,950 |
| -----               |                    |           |
| Fleet vehicles      | 16,991             | 64,729    |
| -----               |                    |           |
| Total new vehicles  | 590,266            | 897,679   |
| -----               |                    |           |
| Used vehicles       | 290,256            | 320,713   |
| -----               |                    |           |
| Wholesale vehicles  | 32,180             | 69,966    |
| -----               |                    |           |
| Total vehicles      | 912,702            | 1,288,358 |
| -----               |                    |           |
| Parts, service and  |                    |           |

|                                                                       |           |           |
|-----------------------------------------------------------------------|-----------|-----------|
| collision repair                                                      | 240,724   | 249,987   |
| -----                                                                 | -----     | -----     |
| Finance, insurance<br>and other                                       | 31,971    | 44,841    |
| -----                                                                 | -----     | -----     |
| Total revenues                                                        | 1,185,397 | 1,583,186 |
| -----                                                                 | -----     | -----     |
| Total gross profit                                                    | 218,242   | 259,071   |
| -----                                                                 | -----     | -----     |
| SG&A expenses                                                         | (181,535) | (204,675) |
| -----                                                                 | -----     | -----     |
| Goodwill and other<br>asset impairments                               | (32)      | (156)     |
| -----                                                                 | ---       | ----      |
| Depreciation                                                          | (7,788)   | (6,723)   |
| -----                                                                 | -----     | -----     |
| Operating income                                                      | 28,887    | 47,517    |
| -----                                                                 | -----     | -----     |
| Interest expense,<br>floor plan                                       | (4,303)   | (11,048)  |
| -----                                                                 | -----     | -----     |
| Interest expense, FSP<br>APB 14-1                                     | (2,566)   | (2,639)   |
| -----                                                                 | -----     | -----     |
| Interest expense, other                                               | (14,810)  | (10,665)  |
| -----                                                                 | -----     | -----     |
| Other income                                                          | 41        | 63        |
| -----                                                                 | --        | --        |
| Income from continuing<br>operations before<br>taxes                  | 7,249     | 23,228    |
| -----                                                                 | -----     | -----     |
| Income taxes                                                          | (3,262)   | (9,292)   |
| -----                                                                 | -----     | -----     |
| Income from continuing<br>operations                                  | 3,987     | 13,936    |
| Discontinued<br>operations:                                           | -----     | -----     |
| Loss from operations<br>and the sale of<br>discontinued<br>franchises | (3,078)   | (1,273)   |
| -----                                                                 | -----     | -----     |
| Income tax benefit /<br>(provision)                                   | 769       | (38)      |
| -----                                                                 | ---       | ---       |
| Loss from<br>discontinued<br>operations                               | (2,309)   | (1,311)   |
| -----                                                                 | -----     | -----     |
| Net income                                                            | \$1,678   | \$12,625  |
| -----                                                                 | -----     | -----     |
| Basic:                                                                | -----     | -----     |
| -----                                                                 | -----     | -----     |
| Weighted average<br>common shares<br>outstanding                      | 40,099    | 40,774    |
| -----                                                                 | -----     | -----     |
| Earnings per share<br>from continuing                                 |           |           |

|                                             |          |          |
|---------------------------------------------|----------|----------|
| operations                                  | \$0.10   | \$0.34   |
| -----                                       | -----    | -----    |
| Loss per share from discontinued operations | (\$0.06) | (\$0.03) |
| -----                                       | -----    | -----    |
| Earnings per share                          | \$0.04   | \$0.31   |
| -----                                       | -----    | -----    |

Diluted:

|                                               |          |          |
|-----------------------------------------------|----------|----------|
| Weighted average common shares outstanding    | 40,338   | 41,069   |
| -----                                         | -----    | -----    |
| Earnings per share from continuing operations | \$0.10   | \$0.34   |
| -----                                         | -----    | -----    |
| Loss per share from discontinued operations   | (\$0.06) | (\$0.03) |
| -----                                         | -----    | -----    |
| Earnings per share                            | \$0.04   | \$0.31   |
| -----                                         | -----    | -----    |

Gross Margin Data (Continuing Operations):

|                                     |        |        |
|-------------------------------------|--------|--------|
| Retail new vehicles                 | 7.0%   | 7.3%   |
| -----                               | ---    | ---    |
| Fleet vehicles                      | (0.2%) | 0.8%   |
| -----                               | ----   | ----   |
| Total new vehicles                  | 6.8%   | 6.8%   |
| -----                               | ---    | ---    |
| Used vehicles retail                | 9.4%   | 9.3%   |
| -----                               | ---    | ---    |
| Total vehicles retail               | 7.6%   | 7.5%   |
| -----                               | ---    | ---    |
| Wholesale vehicles                  | (0.4%) | (1.5%) |
| -----                               | ----   | ----   |
| Parts, service and collision repair | 49.5%  | 49.7%  |
| -----                               | ----   | ----   |
| Finance, insurance and other        | 100.0% | 100.0% |
| -----                               | -----  | -----  |
| Overall gross margin                | 18.4%  | 16.4%  |
| -----                               | ----   | ----   |

SG&A Expenses (Continuing Operations):

|           |           |           |
|-----------|-----------|-----------|
| Personnel | \$102,633 | \$116,001 |
|-----------|-----------|-----------|

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| -----                                 | -----     | -----     |
| Advertising                           | 9,498     | 13,644    |
| -----                                 | -----     | -----     |
| Facility rent and<br>related expenses | 31,305    | 31,327    |
| -----                                 | -----     | -----     |
| Other                                 | 38,099    | 43,703    |
| -----                                 | -----     | -----     |
| Total                                 | \$181,535 | \$204,675 |
| -----                                 | -----     | -----     |

SG&A Expenses as % of Gross Profit

|                                       |       |       |
|---------------------------------------|-------|-------|
| -----                                 | ----- | ----- |
| Personnel                             | 47.0% | 44.7% |
| -----                                 | ----- | ----- |
| Advertising                           | 4.4%  | 5.3%  |
| -----                                 | ---   | ---   |
| Facility rent and<br>related expenses | 14.3% | 12.1% |
| -----                                 | ----- | ----- |
| Other                                 | 17.5% | 16.9% |
| -----                                 | ----- | ----- |
| Total                                 | 83.2% | 79.0% |
| -----                                 | ----- | ----- |
| Operating Margin %                    | 2.4%  | 3.0%  |
| -----                                 | ---   | ---   |

|                                       |                                 |           |
|---------------------------------------|---------------------------------|-----------|
| Unit Data (Continuing<br>Operations): | Three Months Ended<br>3/31/2009 | 3/31/2008 |
| -----                                 | -----                           | -----     |

|                            |          |          |
|----------------------------|----------|----------|
| -----                      | -----    | -----    |
| New retail units           | 16,801   | 24,116   |
| -----                      | -----    | -----    |
| Fleet units                | 643      | 2,409    |
| -----                      | -----    | -----    |
| Used units                 | 15,155   | 15,782   |
| -----                      | -----    | -----    |
| Wholesale units            | 5,362    | 8,342    |
| -----                      | -----    | -----    |
| Average price per<br>unit: |          |          |
| -----                      | -----    | -----    |
| New retail vehicles        | \$34,121 | \$34,539 |
| -----                      | -----    | -----    |
| Fleet vehicles             | 26,425   | 26,870   |
| -----                      | -----    | -----    |
| Used vehicles              | 19,152   | 20,321   |
| -----                      | -----    | -----    |
| Wholesale vehicles         | 6,001    | 8,387    |
| -----                      | -----    | -----    |

Other Data:

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Same store revenue

percentage changes:

|                                     |         |
|-------------------------------------|---------|
| New retail                          | (31.6%) |
| Fleet                               | (73.7%) |
| Total New Vehicles                  | (34.6%) |
| Used                                | (9.8%)  |
| Parts, service and collision repair | (4.3%)  |
| Finance, insurance and other        | (28.3%) |
| Total                               | (25.5%) |

Balance Sheet Data:

|                                      | 3/31/2009   | 12/31/2008 (1) |
|--------------------------------------|-------------|----------------|
| ASSETS                               |             |                |
| Current Assets:                      |             |                |
| Cash and cash equivalents            | \$614       | \$6,971        |
| Receivables, net                     | 205,957     | 247,025        |
| Inventories                          | 802,830     | 916,837        |
| Assets held for sale                 | 365,452     | 406,576        |
| Other current assets                 | 23,523      | 16,822         |
| Total current assets                 | 1,398,376   | 1,594,231      |
| Property and Equipment, Net          | 382,129     | 369,892        |
| Goodwill, Net                        | 327,007     | 327,007        |
| Other Intangibles, Net               | 81,914      | 82,328         |
| Other Assets                         | 22,195      | 32,087         |
| TOTAL ASSETS                         | \$2,211,621 | \$2,405,545    |
| LIABILITIES AND STOCKHOLDERS' EQUITY |             |                |
| Current Liabilities:                 |             |                |
| Floor plan notes payable             | \$780,102   | \$921,023      |

|                                                  |             |             |
|--------------------------------------------------|-------------|-------------|
| -----                                            | -----       | -----       |
| Other current liabilities                        | 204,869     | 277,938     |
| -----                                            | -----       | -----       |
| Liabilities associated with assets held for sale | 149,990     | 199,482     |
| -----                                            | -----       | -----       |
| Current maturities of long-term debt             | 211,584     | 738,447     |
| -----                                            | -----       | -----       |
| Total current liabilities                        | 1,346,545   | 2,136,890   |
| -----                                            | -----       | -----       |
| LONG-TERM DEBT                                   | 557,278     | -           |
| -----                                            | -----       | -----       |
| OTHER LONG-TERM LIABILITIES                      | 90,689      | 71,132      |
| -----                                            | -----       | -----       |
| STOCKHOLDERS' EQUITY                             | 217,109     | 197,523     |
| -----                                            | -----       | -----       |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY       | \$2,211,621 | \$2,405,545 |
| -----                                            | -----       | -----       |

(1) Restated for the adoption effects of FSP APB 14-1.

SOURCE Sonic Automotive, Inc.