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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 23, 2010

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-13395

(Commission File Number)

56-201079

(IRS Employer Identification No.)

**6415 Idlewild Road, Suite 109
Charlotte, North Carolina**

(Address of principal executive offices)

28212

(Zip Code)

Registrant's telephone number, including area code: **(704) 566-2400**

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 23, 2010, we issued a press release announcing results for our fiscal quarter and fiscal year ended December 31, 2009.

A copy of the press release is attached hereto as Exhibit 99.1. A copy of the earnings call presentation materials is attached hereto as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc. dated February 23, 2010

99.2 Earnings call presentation materials

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SONIC AUTOMOTIVE, INC.

By: /s/ Stephen K. Coss
Stephen K. Coss
Senior Vice President and General Counsel

Dated: February 23, 2010

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated February 23, 2010
99.2	Earnings call presentation materials

Sonic Automotive, Inc. Reports Fourth Quarter 2009 Earnings

CHARLOTTE, N.C. — February 23, 2010 — Sonic Automotive, Inc. (NYSE: SAH), the nation's third-largest automotive retailer, today reported that 2009 fourth quarter adjusted earnings from continuing operations were \$0.18 per diluted share compared to an adjusted loss from continuing operations of \$0.21 per diluted share in the prior year quarter. The adjustments for both periods are detailed further in the attached tables.

Business Overview — Strong operating results and improved capital structure

B. Scott Smith, the Company's President, said, "The operating initiatives that our stores have been refining over the course of this year continued to drive value for us in the fourth quarter. Vehicle volume for both our new and used business was up nicely as a result of our e-Commerce, advertising and other strategies. Our strong luxury brand mix contributed to our performance as pre-tax profits at our luxury-branded stores were up significantly compared to the prior year quarter. As we progressed through the fourth quarter and the industry-wide new vehicle sales volume rose, we saw dealership profits rise substantially due to our ability to leverage the cost reductions we've made throughout the year."

Mr. Smith continued, "We were pleased to make our announcement in early January that we had completed the refinancing of our syndicated credit facility. That marks the completion of another step we have taken over the course of 2009 and early 2010 to improve our capital structure."

New Vehicles — Volume and margin both show strong improvements

Commenting on the Company's new car sales, Mr. Smith noted, "Our new vehicle retail revenue was up approximately 11% compared to the fourth quarter last year as our dealerships continue to gain share in their local markets. In addition, our new vehicle retail margin for the quarter at 7.3% was up 60 basis points compared to the same period last year."

Used Vehicles — Used vehicle volume and gross profit set Q4 and annual record

Overall used vehicle unit volume was up 18% and total used vehicle revenue was up almost 23% for the fourth quarter of 2009 compared to the same quarter last year. Jeff Dyke, the Company's EVP of Operations, stated, "The operating playbooks we have been steadily implementing in our used vehicle business continue to drive improvements. This is not just trimming margins to gain volume. We have rolled out a comprehensive strategy that involves getting the right vehicles at the right stores at the right price. When we offer our customers the vehicle they want at a fair price everybody wins — our customers are satisfied and our business grows. The gross profit dollars generated by our used vehicle business in the fourth quarter increased \$4.7 million, or 21.1%, compared to the prior year period. This is without considering the incremental F&I and service business we gained with every additional used vehicle we sold."

Parts and Service — A steady contributor to the bottom line

Sonic's parts and service revenue for the fourth quarter was flat with the prior year quarter while the gross margin was up 20 basis points at 50.3%. Mr. Dyke stated, "Our parts and service business remains a very profitable and stable piece of our business with the potential for future upside as we continue to roll out our comprehensive operational playbook for this area."

Scott Smith concluded his comments by noting, "The hard work of our associates and the stability of our business model has been tested and proven once again in the fourth quarter. As a result of many actions taken over the course of this year — expense reductions, strengthening the balance sheet, optimizing cash flow — we believe we

have set the stage for an even better 2010. We will provide more color on our 2010 outlook on our earnings call later today.”

Presentation materials for the Company’s February 23, 2010 earnings conference call at 11:00 A.M. (Eastern) can be accessed on the Company’s website at 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.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, International callers dial (706) 645-9291
Conference ID: 54761428

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is the nation’s third-largest automotive retailer, operating 145 franchises. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to future parts and service business potential and general operating performance. 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 quarterly report on Form 10-Q for the quarter ending September 30, 2009. 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)

	Twelve Months Ended			Twelve Months Ended		
	As Reported 12/31/2009	Adjustments	As Adjusted 12/31/2009	As Reported 12/31/2008	Adjustments	As Adjusted 12/31/2008
Revenues						
New retail vehicles	\$ 3,045,098	\$ —	\$ 3,045,098	\$ 3,738,587	\$ —	\$ 3,738,587
Fleet vehicles	214,988	—	214,988	325,580	—	325,580
Total new vehicles	3,260,086	—	3,260,086	4,064,167	—	4,064,167
Used vehicles	1,475,395	—	1,475,395	1,368,596	—	1,368,596
Wholesale vehicles	150,695	—	150,695	277,559	—	277,559
Total vehicles	4,886,176	—	4,886,176	5,710,322	—	5,710,322
Parts, service and collision repair	1,088,722	—	1,088,722	1,114,077	—	1,114,077
Finance, insurance and other	156,811	—	156,811	183,709	—	183,709
Total revenues	6,131,709	—	6,131,709	7,008,108	—	7,008,108
Total gross profit	1,044,368	—	1,044,368	1,122,068	—	1,122,068
SG&A expenses	(843,794)	4,015	(839,779)	(921,367)	20,342	(901,025)
Impairment charges	(24,514)	24,514	—	(822,952)	822,952	—
Depreciation	(35,576)	—	(35,576)	(33,554)	—	(33,554)
Operating income	140,484	28,529	169,013	(655,805)	843,294	187,489
Interest expense, floor plan	(20,415)	—	(20,415)	(44,923)	—	(44,923)
Interest expense, other	(85,586)	11,992	(73,594)	(60,276)	1,174	(59,102)
Interest expense, non-cash, convertible debt	(679)	(11,300)	(11,979)	(10,704)	—	(10,704)
Interest expense, non-cash, cash flow swaps	(4,775)	4,775	—	—	—	—
Other (expense) / income	(6,670)	7,103	433	742	—	742
Income / (loss) from continuing operations before taxes	22,359	41,099	63,458	(770,966)	844,468	73,502
Income tax (expense) / benefit	33,251	(61,822)	(28,571)	125,399	(147,805)	(22,406)
Income / (loss) from continuing operations	55,610	(20,723)	34,887	(645,567)	696,663	51,096
Income / (Loss) from discontinued operations	(24,062)	16,732	(7,330)	(46,782)	37,523	(9,259)
Net income / (loss)	\$ 31,548	\$ (3,991)	\$ 27,557	\$ (692,349)	\$ 734,186	\$ 41,837

Diluted:

Weighted average common shares outstanding	55,832	—	55,832	40,356	200	40,556
Earnings / (loss) per share from continuing operations	\$ 1.05	\$ (0.37)	\$ 0.68	\$ (16.00)	\$ 17.25	\$ 1.25
Earnings / (loss) per share from discontinued operations	(0.43)	0.30	(0.13)	(1.16)	0.93	(0.23)
Earnings / (loss) per share	\$ 0.62	\$ (0.07)	\$ 0.55	\$ (17.16)	\$ 18.18	\$ 1.02

Gross Margin Data (Continuing Operations):

Retail new vehicles	7.2%		7.2%	7.0%		7.0%
Fleet vehicles	3.5%		3.5%	2.6%		2.6%
Total new vehicles	6.9%		6.9%	6.6%		6.6%
Used vehicles retail	8.2%		8.2%	8.7%		8.7%
Total vehicles retail	7.3%		7.3%	7.2%		7.2%
Wholesale vehicles	(4.0)%		(4.0)%	(2.5)%		(2.5)%
Parts, service and collision repair	50.3%		50.3%	49.9%		49.9%
Finance, insurance and other	100.0%		100.0%	100.0%		100.0%
Overall gross margin	17.0%		17.0%	16.0%		16.0%

SG&A Expenses (Continuing Operations):

Personnel	\$ 480,106	\$ —	\$ 480,106	\$ 503,122	\$ —	\$ 503,122
Advertising	46,318	—	46,318	58,378	—	58,378
Facility rent	141,241	(1,091)	140,150	142,044	(4,131)	137,913
Other	176,129	(2,924)	173,205	217,823	(16,211)	201,612
Total	\$ 843,794	\$ (4,015)	\$ 839,779	\$ 921,367	\$ (20,342)	\$ 901,025

SG&A Expenses as % of Gross Profit	80.7%	(0.4)%	80.4%	82.1%	(1.8)%	80.3%
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Operating Margin %	2.3%	0.5%	2.8%	(9.4)%	12.0%	2.7%
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Unit Data (Continuing Operations):

New retail units	91,405			111,675		
Fleet units	8,697			13,430		
New units	100,102			125,105		
Used units	77,323			68,808		

Total units retailed	177,425	193,913
Wholesale units	25,866	36,674

Other Data:

Same store revenue percentage changes:		
New retail	(18.6)%	(19.7)%
Fleet	(34.0)%	(16.9)%
Total New Vehicles	(19.9)%	(19.4)%
Used	7.7%	(3.0)%
Parts, service and collision repair	(2.4)%	(2.1)%
Finance, insurance and other	(14.3)%	(11.1)%
Total	<u>(12.6)%</u>	<u>(14.5)%</u>

	2009	2008
Description of Adjustments:		
Continuing Operations:		
Lease exit and other (hurricane & hail)	\$ 4,015	\$ 20,342
Impairment Charges	24,514	822,952
Debt restructuring and other costs	11,992	1,174
Derivative mark-to-market gain	(11,300)	—
Ineffectiveness- cash flow swaps	4,775	—
Debt restructuring costs	7,103	—
Valuation allowance changes and tax effect of adjustments	<u>(61,822)</u>	<u>(147,805)</u>
Total Continuing Operations	<u>\$ (20,723)</u>	<u>\$ 696,663</u>
Discontinued Operations:		
Lease exit and other accruals	\$ 27,563	\$ 12,750
Impairment Charges	5,524	28,393
Valuation allowance changes and tax effect of adjustments	<u>(16,355)</u>	<u>(3,620)</u>
Total Continuing Operations	<u>\$ 16,732</u>	<u>\$ 37,523</u>

Sonic Automotive, Inc.
Results of Operations (Unaudited)

(in thousands, except per share, unit data and percentage amounts)

	Three Months Ended			Three Months Ended		
	As Reported 12/31/2009	Adjustments	As Adjusted 12/31/2009	As Reported 12/31/2008	Adjustments	As Adjusted 12/31/2008
Revenues						
New retail vehicles	\$ 818,344	\$ —	\$ 818,344	\$ 738,483	\$ —	\$ 738,483
Fleet vehicles	50,798	—	50,798	57,286	—	57,286
Total new vehicles	869,142	—	869,142	795,769	—	795,769
Used vehicles	376,032	—	376,032	306,498	—	306,498
Wholesale vehicles	42,711	—	42,711	43,781	—	43,781
Total vehicles	1,287,885	—	1,287,885	1,146,048	—	1,146,048
Parts, service and collision repair	268,698	—	268,698	268,395	—	268,395
Finance, insurance and other	38,610	—	38,610	34,655	—	34,655
Total revenues	1,595,193	—	1,595,193	1,449,098	—	1,449,098
Total gross profit	259,060	—	259,060	240,613	—	240,613
SG&A expenses	(213,280)	5,165	(208,115)	(217,993)	4,191	(213,802)
Impairment charges	(18,807)	18,807	—	(807,896)	807,896	—
Depreciation	(11,188)	2,536	(8,652)	(9,497)	—	(9,497)
Operating income	15,785	26,508	42,293	(794,773)	812,087	17,314
Interest expense, floor plan	(5,022)	—	(5,022)	(11,143)	—	(11,143)
Interest expense, other	(21,679)	2,560	(19,119)	(16,457)	—	(16,457)
Interest expense, non-cash, convertible debt	(2,236)	—	(2,236)	(2,713)	—	(2,713)
Interest expense, non-cash, cash flow swaps	(4,775)	4,775	—	—	—	—
Other (expense) / income	(9,189)	9,198	9	653	—	653
Income / (loss) from continuing operations before taxes	(27,116)	43,041	15,925	(824,433)	812,087	(12,346)
Income tax (expense) / benefit	54,525	(61,107)	(6,582)	147,051	(143,207)	3,844
Income / (loss) from continuing operations	27,409	(18,066)	9,343	(677,382)	668,880	(8,502)
Income / (Loss) from discontinued operations	(13,159)	10,993	(2,166)	(9,843)	8,107	(1,736)
Net income / (loss)	\$ 14,250	\$ (7,073)	\$ 7,177	\$ (687,225)	\$ 676,987	\$ (10,238)

Diluted:

Weighted average common shares outstanding	65,634	—	65,634	40,087	—	40,087
Earnings / (loss) per share from continuing operations	\$ 0.45	\$ (0.27)	\$ 0.18	\$ (16.90)	\$ 16.69	\$ (0.21)
Earnings / (loss) per share from discontinued operations	(0.20)	0.16	(0.04)	(0.24)	0.19	(0.05)
Earnings / (loss) per share	\$ 0.25	\$ (0.11)	\$ 0.14	\$ (17.14)	\$ 16.88	\$ (0.26)

Gross Margin Data (Continuing Operations):

Retail new vehicles	7.3%		7.3%	6.7%		6.7%
Fleet vehicles	3.1%		3.1%	3.9%		3.9%
Total new vehicles	7.0%		7.0%	6.5%		6.5%
Used vehicles retail	7.2%		7.2%	7.3%		7.3%
Total vehicles retail	7.1%		7.1%	6.7%		6.7%
Wholesale vehicles	(6.8)%		(6.8)%	(6.6)%		(6.6)%
Parts, service and collision repair	50.3%		50.3%	50.1%		50.1%
Finance, insurance and other	100.0%		100.0%	100.0%		100.0%
Overall gross margin	16.2%		16.2%	16.6%		16.6%

SG&A Expenses (Continuing Operations):

Personnel	\$ 118,693	\$ —	\$ 118,693	\$ 110,850	\$ —	\$ 110,850
Advertising	12,206	—	12,206	11,910	—	11,910
Facility rent	35,530	(1,091)	34,439	35,184	(291)	34,893
Other	46,851	(4,074)	42,777	60,049	(3,900)	56,149
Total	\$ 213,280	\$ (5,165)	\$ 208,115	\$ 217,993	\$ (4,191)	\$ 213,802

SG&A Expenses as % of Gross Profit	82.3%	(2.0)%	80.3%	90.6%	(1.7)%	88.9%
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Operating Margin %	1.0%	1.7%	2.7%	(54.8)%	56.0%	1.2%
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Unit Data (Continuing Operations):

New retail units	23,007		21,643			
Fleet units	1,895		2,382			
New units	24,902		24,025			
Used units	18,711		15,817			

Total units retailed	43,613	39,842
Wholesale units	6,868	6,798

Other Data:

Same store revenue percentage changes:		
New retail	10.8%	(36.0)%
Fleet	(11.3)%	(35.3)%
Total New Vehicles	9.2%	(36.0)%
Used	22.7%	(14.5)%
Parts, service and collision repair	0.1%	(5.1)%
Finance, insurance and other	11.8%	(32.3)%
Total	<u>10.1%</u>	<u>(28.4)%</u>

Description of Adjustments:	2009	2008
Continuing Operations:		
Lease exit and other (hurricane & hail)	\$ 5,165	\$ 4,191
Impairment Charges	18,807	807,896
Depreciation adjustments	2,536	—
Debt restructuring and other costs	2,560	—
Ineffectiveness- cash flow swaps	4,775	—
Debt restructuring costs	9,198	—
Valuation allowance changes and tax effect of adjustments	(61,107)	(143,207)
Total Continuing Operations	<u>\$ (18,066)</u>	<u>\$ 668,880</u>
Discontinued Operations:		
Lease exit and other accruals	\$ 23,213	\$ 1,305
Impairment Charges	2,116	2,038
Valuation allowance changes and tax effect of adjustments	(14,336)	4,764
Total Discontinued Operations	<u>\$ 10,993</u>	<u>\$ 8,107</u>





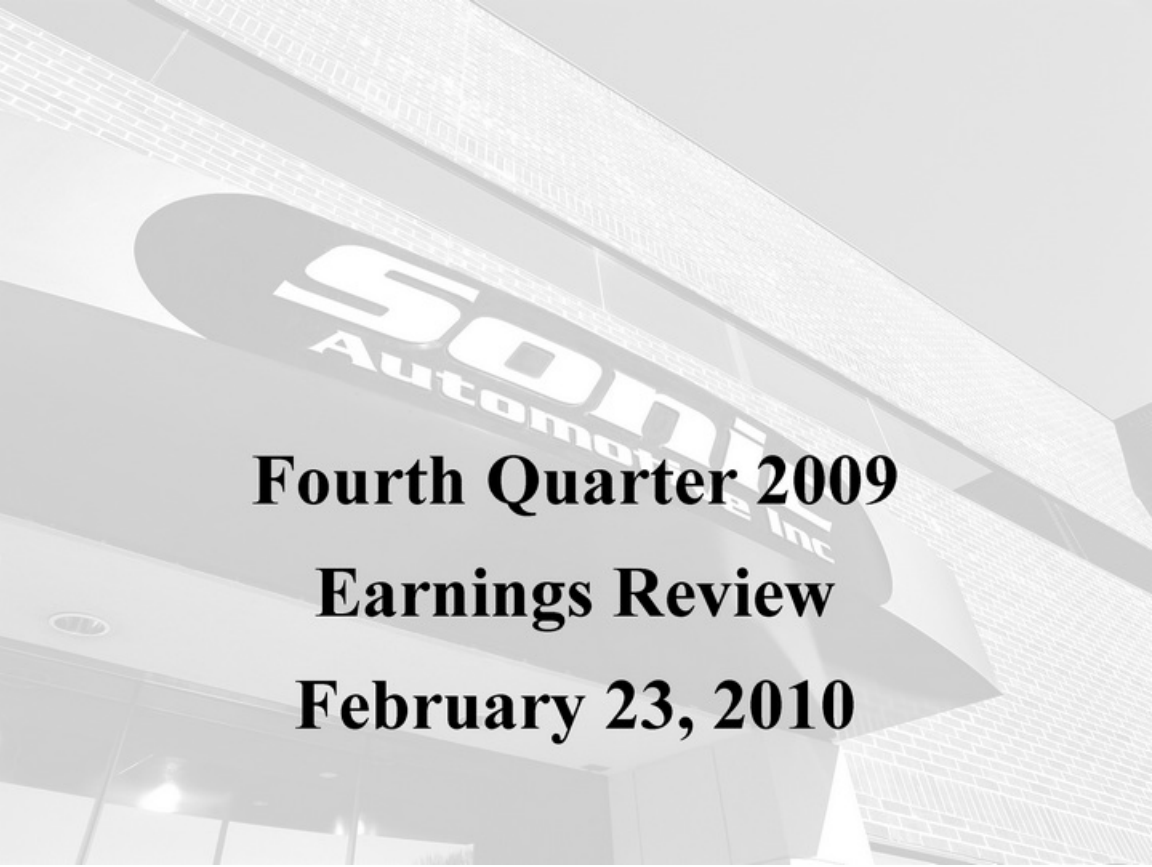
Cautionary Notice - Forward-Looking Statements

This presentation contains statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

These forward-looking statements are not historical facts, but only predictions by our company and/or our company’s management.

These statements generally can be identified by lead-in words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee” and other similar words. Similarly, statements that describe our company’s objectives, plans or goals are also forward-looking statements.

You are cautioned that these forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Among others, factors that could materially adversely affect actual results and performance include those risk factors that are listed in Sonic Automotive’s Form 10-Q filed on October 30, 2009.

A grayscale photograph of a modern building with a brick facade. A large sign on the building reads "SONI Automotive Inc." in a stylized font. The sign is partially obscured by the text overlay.

**Fourth Quarter 2009
Earnings Review
February 23, 2010**



Sonic Automotive Q4 2009

- **Quarter in Review**
- **Financial Review**
- **Operations Review**
- **Closing Comments**



Overall Results – Q4

- ✓ New retail vehicle margins up 60 bps from last year
- ✓ Used vehicle unit volume up 18.3%
- ✓ Revolver completely paid off
- ✓ Used vehicle line paid down below available capacity
- ✓ Credit facility renewal completed in January
- ✓ Recorded non-cash charges related to lease exit accruals (primarily related to GM terminations), fixed asset impairments, debt restructuring, and tax items



Overall Results – Q4 (Adjusted)

(amounts in millions, except per share)

	Q4 2009 [*]		Q4 2008 [*]		B / (W)		
	\$		\$		\$	%	
Revenue	\$	1,595.2	\$	1,449.1	\$	146.1	10.1%
Gross Profit		259.1		240.6		18.5	7.7%
Gross Margin %		16.2%		16.6%			
SG&A		(208.1)		(213.8)		5.7	2.7%
% of Gross		80.3%		88.9%			
Operating Profit / (Loss)		42.3		17.3		25.0	144.5%
% of Revenue		2.7%		1.2%			
Floorplan Interest Exp		(5.0)		(11.1)		6.1	55.0%
Other Interest Exp		(19.1)		(16.5)		(2.6)	(15.8%)
Non-Cash, Convertible Debt Interest Exp		(2.2)		(2.7)		0.5	18.5%
Other Income / (Expense)		-		0.7		(0.7)	(100.0%)
Profit / (Loss) After Tax:							
Continuing	\$	9.3	\$	(8.5)	\$	17.8	
Discontinued		(2.2)		(1.7)		(0.5)	
Total Operations	\$	7.1	\$	(10.2)	\$	17.3	
Diluted EPS:							
Continuing	\$	0.18	\$	(0.21)	\$	0.39	
Discontinued		(0.04)		(0.05)		0.01	
Total Operations	\$	0.14	\$	(0.26)	\$	0.40	

* See Appendix for reconciliation to GAAP/Reported amounts.



Overall Results – YTD (Adjusted)

(amounts in millions, except per share)

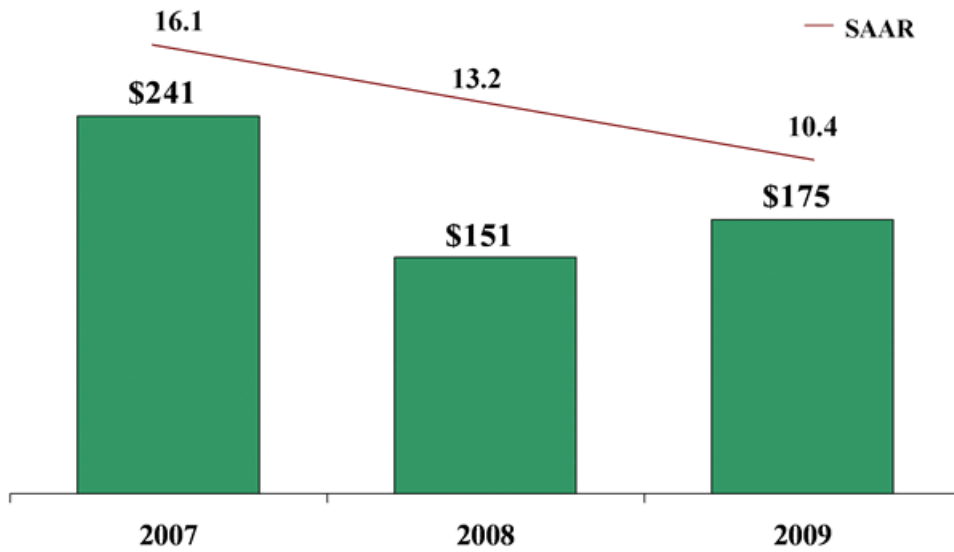
	YTD 2009 *		YTD 2008 *		B / (W)		
	S		S		S	%	
Revenue	S	6,131.7	S	7,008.1	S	(876.4)	(12.5%)
Gross Profit		1,044.4		1,122.1		(77.7)	(6.9%)
Gross Margin %		17.0%		16.0%			
SG&A		(839.8)		(901.0)		61.2	6.8%
% of Gross		80.4%		80.3%			
Operating Profit / (Loss)		169.0		187.5		(18.5)	(9.9%)
% of Revenue		2.8%		2.7%			
Floorplan Interest Exp		(20.4)		(44.9)		24.5	54.6%
Other Interest Exp		(73.6)		(59.1)		(14.5)	(24.5%)
Non-Cash, Convertible Debt Interest Exp		(12.0)		(10.7)		(1.3)	(12.1%)
Other Income / (Expense)		0.4		0.7		(0.3)	(42.9%)
Profit / (Loss) After Tax:							
Continuing	S	34.9	S	51.1	S	(16.2)	
Discontinued		(7.3)		(9.3)		2.0	
Total Operations	S	27.6	S	41.8	S	(14.2)	
Diluted EPS:							
Continuing	S	0.68	S	1.25	S	(0.57)	
Discontinued		(0.13)		(0.23)		0.10	
Total Operations	S	0.55	S	1.02	S	(0.47)	

* See Appendix for reconciliation to GAAP/Reported amounts.



EBITDA – All Operations

(amounts in millions)



Note: See appendix for reconciliation to GAAP/Reported amounts.



SG&A – Adjusted for Unusual Items

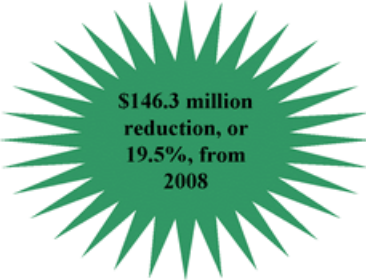
<i>(amounts in millions)</i>	Q4 2009*	Q4 2008*	Better / (Worse)	
			\$	%
Advertising	\$ 12.2	\$ 11.9	\$ (0.3)	(2.5%)
Fixed Comp	27.5	27.8	0.3	1.1%
Other Fixed	29.5	39.5	10.0	25.3%
Other Variable	13.3	16.6	3.3	19.9%
Variable Comp	91.2	83.1	(8.1)	(9.7%)
Rent and Related	34.4	34.9	0.5	1.4%
Total SG&A	\$ 208.1	\$ 213.8	\$ 5.7	2.7%
<i>Memo:</i>				
SG&A % of Gross	80.3%	88.9%	860 bps	

* See Appendix for reconciliation to GAAP/Reported amounts.



Capitalization

	Actual 12/31/2008	Actual 12/31/2009
Cash (including restricted cash)	\$ 7.0	\$ 30.0
Long-Term Debt:		
Revolver	\$ 70.8	\$ -
4.25% Notes	160.0	17.0
5.25% Notes	105.3	-
8.625% Notes	275.0	275.0
5.0% Notes	-	172.5
Mortgage Notes	114.1	116.7
Other	26.4	24.1
Total Long-Term Debt (1)	<u>\$ 751.6</u>	<u>\$ 605.3</u>
Memo:		
Floorplan Liability	\$ 1,120.5	\$ 766.7



\$146.3 million
reduction, or
19.5%, from
2008



\$353.8
million
decrease
from 2008

(1) Excludes discount/premium.



Major Debt Maturities

(amounts in millions)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
January 2009	\$105	\$231	\$0	\$0	\$275	\$0	\$611
December 2009	\$0	\$17	\$0	\$0	\$275	\$173	\$465

Balance sheet restructured and improved



Debt Covenants

	Covenant	Actual Q4 2009
Liquidity Ratio	≥ 1.00	1.12
Fixed Charge Coverage Ratio	≥ 1.10	1.44
Secured Debt to EBITDA Ratio	≤ 2.25	1.29

Compliant with all covenants



Capital Spending

(amounts in millions)	<u>Q1 2009</u>	<u>Q2 2009</u>	<u>Q3 2009</u>	<u>Q4 2009</u>	<u>FY 2009</u>
Capital Spending					
Facility Improvement	\$ 14.6	\$ 4.0	\$ 4.8	\$ 4.3	\$ 27.7
Mortgage Funding	-	-	-	6.3	6.3
Net Cash Used - Facility Related	\$ 14.6	\$ 4.0	\$ 4.8	\$ (2.0)	\$ 21.4
Maintenance Cap Ex	5.8	2.2	3.2	2.2	13.4
Total Cash Used - Cap Ex	<u>\$ 20.4</u>	<u>\$ 6.2</u>	<u>\$ 8.0</u>	<u>\$ 0.2</u>	<u>\$ 34.8</u>



New Vehicle

	New Retail Vehicle		
	GM %	GPU	Gross Profit \$ <i>YOY better / (worse)</i>
Q1 2009	6.8%	S 2,283	(35.9%)
Q2 2009	7.0%	S 2,316	(33.9%)
Q3 2009	7.4%	S 2,347	(3.7%)
Q4 2009	7.3%	S 2,585	19.9%
FY 2009	7.2%	S 2,386	(16.5%)

Market Share	
Q4 2009	
South East	↑
Central	↓
Texas	↓
California	↑
Total Sonic*	32

* Bps difference between Sonic and the local market competition.



Used Vehicles

	<u>Q1 2009</u>	<u>Q2 2009</u>	<u>Q3 2009</u>	<u>Q4 2009</u>	<u>FY 2009</u>
Retail Volume % Change <i>YOY better / (worse)</i>	(2.7%)	11.7%	23.7%	18.3%	12.4%
Retail Gross Per Unit	\$ 1,778	\$ 1,512	\$ 1,504	\$ 1,453	\$ 1,555
Retail Gross Profit S* <i>YOY better / (worse)</i>	(\$2.8M)	(\$2.9M)	\$2.1M	\$4.7M	\$1.1M
Retail Gross Margin %	9.4%	8.1%	8.0%	7.2%	8.2%

* Excludes any impact from incremental F&I sales and Fixed Operations business.



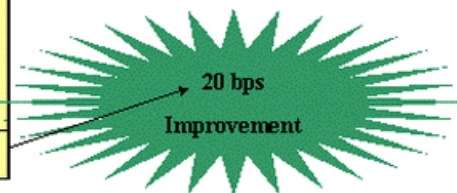
Fixed Operations

Continuing Operations

(in millions)

	QTD Revenue		
	2009	2008	Change
Service	\$ 110.7	\$ 109.9	0.7%
Parts	145.9	145.2	0.5%
Body Shop	12.1	13.3	(9.0%)
Total	\$ 268.7	\$ 268.4	0.1%

	QTD Gross Margin	
	2009	2008
Service	70.9%	70.2%
Parts	34.1%	34.4%
Body Shop	56.7%	56.3%
Total	50.3%	50.1%





2010 Outlook

- We expect SAAR to average around 11 million
- Short-term borrowing rates expected to rise steadily over the year
- Q1 2010 used vehicle GPU expected to be lower than Q1 2009 level
- Used vehicle unit volumes expected to increase but not at the rate experienced in 2009
- Stable inventory balances are expected
- We anticipate fixed operations to experience a slight improvement in revenue



Summary

- ✓ New vehicle business has stabilized
- ✓ Used business continues to grow
- ✓ Successfully repositioned our balance sheet
- ✓ Company is positioned for future growth

APPENDIX



Reconciliation of Non-GAAP Financial Information

	Three Months Ended			Three Months Ended		
	Reported 12/31/2008	Adjustments	Adjusted 12/31/2008	Reported 12/31/2009	Adjustments	Adjusted 12/31/2009
Revenue	\$ 1,449.1	\$ -	\$ 1,449.1	\$ 1,595.2	\$ -	\$ 1,595.2
Gross Profit	240.6	-	240.6	259.1	-	259.1
Gross Margin	16.6%		16.6%	16.2%		16.2%
SG&A	218.0	(4.2)	213.8	213.3	(5.2)	208.1
SG&A as % of Gross Profit	90.6%	(1.7%)	88.9%	82.3%	(2.0%)	80.3%
Impairments	807.9	(807.9)	-	18.8	(18.8)	-
Depreciation	9.5	-	9.5	11.2	(2.5)	8.7
Operating Profit / (Loss)	(794.8)	812.1	17.3	15.8	26.5	42.3
Operating Margin	(54.8%)	56.0%	1.2%	1.0%	1.7%	2.7%
Floorplan Interest Exp	11.1	-	11.1	5.0	-	5.0
Other Interest Exp	16.5	-	16.5	21.7	(2.6)	19.1
Non-Cash, Convertible Debt Interest Exp	2.7	-	2.7	2.2	-	2.2
Non-Cash, Cash Flow Swaps Interest Exp	-	-	-	4.8	(4.8)	-
Income / (Loss) from						
Continuing Operations	\$ (677.4)	\$ 668.9 *	\$ (8.5)	\$ 27.4	\$ (18.1) **	\$ 9.3
Discontinued Operations	(9.8)	8.1 *	(1.7)	(13.2)	11.0 **	(2.2)
Total Operations	\$ (687.2)	\$ 677.0	\$ (10.2)	\$ 14.2	\$ (7.1)	\$ 7.1
Diluted EPS from						
Continuing Operations	\$ (16.90)	\$ 16.69	\$ (0.21)	\$ 0.45	\$ (0.27)	\$ 0.18
Discontinued Operations	(0.24)	0.19	(0.05)	(0.20)	0.16	(0.04)
Total Operations	\$ (17.14)	\$ 16.88	\$ (0.26)	\$ 0.25	\$ (0.11)	\$ 0.14

* - Represents Tax Effected Amounts Related to Impairments, Lease Exit and Other Accruals and Tax Items.

** - Represents Tax Effected Amounts Related to Impairments, Lease Exit Accruals, Interest Rate Swaps, Debt Restructuring, Depreciation and Tax Items.



Reconciliation of Non-GAAP Financial Information

	Twelve Months Ended			Twelve Months Ended		
	Reported 12/31/2008	Adjustments	Adjusted 12/31/2008	Reported 12/31/2009	Adjustments	Adjusted 12/31/2009
Revenue	\$ 7,008.1	\$ -	\$ 7,008.1	\$ 6,131.7	\$ -	\$ 6,131.7
Gross Profit	1,122.1	-	1,122.1	1,044.4	-	1,044.4
Gross Margin	16.0%		16.0%	17.0%		17.0%
SG&A	921.4	(20.4)	901.0	843.8	(4.0)	839.8
SG&A as % of Gross Profit	82.1%	(1.8%)	80.3%	80.7%	(0.4%)	80.4%
Impairments	823.0	(823.0)	-	24.5	(24.5)	-
Operating Profit / (Loss)	(655.8)	843.3	187.5	140.5	28.5	169.0
Operating Margin	(9.4%)	12.0%	2.7%	2.3%	0.5%	2.8%
Floorplan Interest Exp	44.9	-	44.9	20.4	-	20.4
Other Interest Exp	60.3	(1.2)	59.1	85.6	(12.0)	73.6
Non-Cash, Convertible Debt Interest Exp	10.7	-	10.7	0.7	11.3	12.0
Non-Cash, Cash Flow Swaps Interest Exp	-	-	-	4.8	(4.8)	-
Other (Income) / Expense	(0.7)	-	(0.7)	6.7	(7.1)	(0.4)
Income / (Loss) from						
Continuing Operations	\$ (645.6)	\$ 696.7	* \$ 51.1	\$ 55.6	\$ (20.7)	** \$ 34.9
Discontinued Operations	(46.8)	37.5	* (9.3)	(24.1)	16.8	** (7.3)
Total Operations	\$ (692.4)	\$ 734.2	\$ 41.8	\$ 31.5	\$ (3.9)	\$ 27.6
Diluted EPS from						
Continuing Operations	\$ (16.00)	\$ 17.25	\$ 1.25	\$ 1.05	\$ (0.37)	\$ 0.68
Discontinued Operations	(1.16)	0.93	(0.23)	(0.43)	0.30	(0.13)
Total Operations	\$ (17.16)	\$ 18.18	\$ 1.02	\$ 0.62	\$ (0.07)	\$ 0.55

* - Represents Tax Effected Amounts Related to Impairments, Lease Exit and Other Accruals, Hurricane and Hail Damage and Tax Items.

** - Represents Tax Effected Amounts Related to Impairments, Lease Exit Accruals, Interest Rate Swaps, Debt Restructuring and Tax Items.



Reconciliation of Non-GAAP Financial Information

	Q4 2008								
	Continuing Operations			Discontinued Operations			Total Operations		
	Net Income (Loss) / Numerator	Share Count	Diluted EPS	Net Income (Loss) / Numerator	Share Count	Diluted EPS	Net Income (Loss) / Numerator	Share Count	Diluted EPS
Reported	\$ (677,382,434)	40,086,977	\$ (16.90)	\$ (9,843,176)	40,086,977	\$ (0.24)	\$ (687,225,610)	40,086,977	\$ (17.14)
Unusual Items (tax-effected):									
Impairment Charges	556,381,352	-		1,389,857	-		557,771,209	-	
Lease Exit and Other Accruals	2,886,144	-		1,305,118	-		4,191,262	-	
Tax Items	109,612,000	-		5,412,000	-		115,024,000	-	
Adjusted	\$ (8,502,938)	40,086,977	\$ (0.21)	\$ (1,736,201)	40,086,977	\$ (0.05)	\$ (10,239,139)	40,086,977	\$ (0.26)



Reconciliation of Non-GAAP Financial Information

	Q4 2009								
	Continuing Operations			Discontinued Operations			Total Operations		
	Net Income (Loss)	Share Count	Diluted EPS	Net Income (Loss)	Share Count	Diluted EPS	Net Income (Loss)	Share Count	Diluted EPS
Reported	\$ 27,409,373	51,867,894		\$ (13,158,720)	51,867,894		\$ 14,250,653	51,867,894	
Effect of Dilutive Securities:									
Two Class Method	(164,631)	-		(164,631)	-		(164,631)	-	
Options	-	875,763		-	875,763		-	875,763	
5.0% Notes	2,237,000	12,889,976		43,000	12,889,976		2,280,000	12,889,976	
Reported Diluted	\$ 29,481,742	65,633,633	\$ 0.45	\$ (13,280,351)	65,633,633	\$ (0.20)	\$ 16,366,022	65,633,633	\$ 0.25
Unusual Items (tax-effected):									
Impairment Charges	11,033,893	-		1,263,439	-		12,297,332	-	
Lease Exit and Other Accruals	640,147	-		13,860,390	-		14,500,537	-	
Interest Rate Swaps	3,316,031	-		-	-		3,316,031	-	
Debt Restructuring	7,058,392	-		-	-		7,058,392	-	
Depreciation	1,487,905	-		-	-		1,487,905	-	
Tax Items	(41,602,470)	-		(4,131,000)	-		(45,733,470)	-	
Subtotal	\$ 11,415,640	65,633,633	\$ 0.17	\$ (2,287,522)	65,633,633	\$ (0.03)	\$ 9,292,749	65,633,633	\$ 0.14
Effect of Dilutive Securities:									
Two Class Method	108,512	-		108,512	-		108,512	-	
Adjusted	\$ 11,524,152	65,633,633	\$ 0.18	\$ (2,179,010)	65,633,633	\$ (0.04)	\$ 9,401,261	65,633,633	\$ 0.14



Reconciliation of Non-GAAP Financial Information

	YTD 2008								
	Continuing Operations			Discontinued Operations			Total Operations		
	Net Income (Loss) / Numerator	Share Count	Diluted EPS	Net Income (Loss) / Numerator	Share Count	Diluted EPS	Net Income (Loss) / Numerator	Share Count	Diluted EPS
Reported	\$ (645,567,284)	40,356,271	\$ (16.00)	\$ (46,782,250)	40,356,271	\$ (1.16)	\$ (692,349,534)	40,356,271	\$ (17.16)
Unusual Item (tax-effected):									
Impairment Charges	572,093,683	-	-	17,315,686	-	-	589,409,369	-	-
Lease Exit and Other Accruals	9,395,958	-	-	14,795,804	-	-	24,191,762	-	-
Hurricane and Hail	5,561,384	-	-	-	-	-	5,561,384	-	-
Tax Items	109,612,000	-	-	5,412,000	-	-	115,024,000	-	-
Subtotal	\$ 51,095,741	40,356,271	\$ 1.27	\$ (9,258,760)	40,356,271	\$ (0.23)	\$ 41,836,981	40,356,271	\$ 1.04
Effect of Dilutive Securities:									
Two Class Method	(532,809)	-	-	(532,809)	-	-	(532,809)	-	-
Options	-	199,477	-	-	199,477	-	-	199,477	-
Adjusted	\$ 50,562,932	40,555,748	\$ 1.25	\$ (9,791,569)	40,555,748	\$ (0.23)	\$ 41,304,172	40,555,748	\$ 1.02



Reconciliation of Non-GAAP Financial Information

	YTD 2009								
	Continuing Operations			Discontinued Operations			Total Operations		
	Net Income (Loss)			Net Income (Loss)			Net Income (Loss)		
	/ Numerator	Share Count	Diluted EPS	/ Numerator	Share Count	Diluted EPS	/ Numerator	Share Count	Diluted EPS
Reported	\$ 55,609,816	43,836,427		\$ (24,062,020)	43,836,427		\$ 31,547,796	43,836,427	
Effect of Dilutive Securities:									
Two Class Method	(394,774)	-		(394,774)	-		(394,774)	-	
5.0% Notes	2,237,000	3,496,185		43,000	3,496,185		2,280,000	3,496,185	
6.0% Notes	921,000	7,833,221		18,000	7,833,221		939,000	7,833,221	
Options	-	666,022		-	666,022		-	666,022	
Reported Diluted	\$ 58,373,042	55,831,855	\$ 1.05	\$ (24,395,794)	55,831,855	\$ (0.43)	\$ 34,372,022	55,831,855	\$ 0.62
Unusual Items (tax-effected):									
Impairment Charges	13,476,564	-		3,483,187	-		16,959,751	-	
Lease Exit and Other Accruals	599,839	-		17,379,981	-		17,979,820	-	
Interest Rate Swaps	2,624,727	-		-	-		2,624,727	-	
Debt Restructuring	4,285,096	-		-	-		4,285,096	-	
Tax Items	(41,710,303)	-		(4,131,000)	-		(45,841,303)	-	
Subtotal	\$ 37,648,965	55,831,855	\$ 0.67	\$ (7,663,626)	55,831,855	\$ (0.14)	\$ 30,380,113	55,831,855	\$ 0.54
Effect of Dilutive Securities:									
Two Class Method	147,122	-		147,122	-		147,122	-	
Adjusted	\$ 37,796,087	55,831,855	\$ 0.68	\$ (7,516,504)	55,831,855	\$ (0.13)	\$ 30,527,235	55,831,855	\$ 0.55



Reconciliation of Non-GAAP Financial Information

(dollars in millions)	YTD 2007	YTD 2008	YTD 2009
EBITDA	\$ 241	\$ 151	\$ 175
Subtract:			
Interest Expense, Other	(36)	(60)	(75)
Income Taxes	(63)	139	54
Depreciation	(27)	(36)	(36)
Debt Cost Amortization	(1)	(1)	(13)
Non-Cash Interest Convertible Debt	(10)	(10)	(5)
Gain on Retirement of Debt	-	1	(7)
Stock Based Compensation Expense	(6)	(6)	(3)
Loss on Exit of Leased Dealerships	(2)	(18)	(29)
Impairment Charges	(6)	(852)	(30)
Other Amortization	-	-	-
Other	-	-	1
Net Income (Loss)	90	(692)	32
Depreciation and Amortization	40	51	52
Deferred Income Taxes	20	(145)	(31)
Equity Interest in (Earnings) Losses of Investees	(1)	-	(1)
Impairment Charges	6	852	30
(Gain) Loss on Disposal of Assets	1	1	(1)
(Gain) Loss on Retirement of Debt	-	(1)	7
Stock Based Compensation Expense	6	6	2
Loss on Exit of Leased Dealerships	2	18	33
Discontinuance of Cash Flow Swaps	-	-	5
Changes in Assets and Liabilities that Relate to Operations	(130)	31	276
Net Cash Provided By (Used In) Operating Activities	\$ 34	\$ 121	\$ 404

