
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): April 27, 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 April 27, 2010, we issued a press release announcing results for our fiscal quarter ended March 31, 2010.

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 April 27, 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: April 27, 2010

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated April 27, 2010
99.2	Earnings call presentation materials

***Sonic Automotive, Inc. Reports 13% Overall Revenue Growth
Used Vehicle Revenue up 28%
First Quarter Profits Up Over Prior Year***

CHARLOTTE, N.C. – April 27, 2010 – Sonic Automotive, Inc. (NYSE: SAH), the nation’s third-largest automotive retailer, today reported that 2010 first quarter adjusted earnings from continuing operations were \$0.14 per diluted share, up 40% from adjusted earnings from continuing operations of \$0.10 per diluted share in the prior year quarter. The adjustments, which are related primarily to debt refinancing activities and mark-to-market adjustments on interest rate swaps, are detailed further in the attached tables. During the quarter, the Company further strengthened its balance sheet by issuing \$200 million of senior subordinated notes to refinance a portion of its existing senior subordinated notes. This refinancing resulted in the Company incurring interest expense on both notes for a period of time prior to the existing notes being retired in early April.

Business Overview – Operating Initiatives Continue to Drive Revenue Growth

Commenting on the quarter B. Scott Smith, the Company’s President, said, “We are very pleased with the way our operating initiatives continued to take hold this quarter. Our focus on associate satisfaction has led to all time low associate turnover which is resulting in better execution of our Playbook process. Commenting further, “We saw strong revenue growth in all departments which continues to demonstrate that our strategy is delivering sound performance as the automotive market continues to improve.”

New and Used Vehicles – Revenue and Gross Profit Levels Up Dramatically

Overall new vehicle retail volume was up 10% and used vehicle retail volume was up 25% for the first quarter of 2010 compared to the same quarter last year. Jeff Dyke, the Company’s EVP of Operations, stated, “The retail gross profit generated by our used vehicle department alone was up over 8% in the first quarter of 2010 compared to the same period last year. Our used vehicle business continues to exceed our expectations as our stores realize the power of our operational playbooks. Consistent with the expectation we communicated last quarter, our used vehicle margins have contracted somewhat compared to the first quarter of last year as a result of the significant volume growth. Sequentially, our used vehicle margins are in line with the last several quarters. It’s important to remember as we continue to expand our penetration of the used vehicle market that our volume growth generates incremental gross profit dollars in used, F&I, and parts and service.”

Parts and Service – Steady Growth in a Key Department; Gross margin up 70 basis points

Sonic’s parts and service revenue for the first quarter was up approximately 3% compared to the prior year quarter, while gross margin was up 70 basis points at 50.3%. Mr. Dyke stated, “Our parts and service business benefited from the improvement in the general economic environment, the work associated with the various manufacturer recalls during the period, and our continued rollout of our playbook for this area. We are still in the early stages of our operational plan for our fixed operations departments and expect to see continued revenue and margin growth over the course of the year.”

Business Outlook

Scott Smith concluded his comments by noting, “The quarter got off to a slow start as our stores came out of a very strong December and as we continued investing in our associates, but profitability improved dramatically as we progressed through the quarter. I have said from the beginning that this is a people business and we will continue to invest appropriately in the one asset that will drive our future growth. We are on track to meet our profit targets for the year.”

Presentation materials for the Company's April 27, 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.ccbn.com or 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: 68235076

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 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 fixed operations revenue and gross profit growth, future profitability levels 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 annual report on Form 10-K for the year ending December 31, 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)

	Three Months Ended			Three Months Ended		
	As Reported 3/31/2010	Adjustments	As Adjusted 3/31/2010	As Reported 3/31/2009	Adjustments	As Adjusted 3/31/2009
Revenues						
New retail vehicles	\$ 740,590	\$ -	\$ 740,590	\$ 650,554	\$ -	\$ 650,554
Fleet vehicles	43,652	-	43,652	54,163	-	54,163
Total new vehicles	784,242	-	784,242	704,717	-	704,717
Used vehicles	423,610	-	423,610	329,209	-	329,209
Wholesale vehicles	31,384	-	31,384	37,796	-	37,796
Total vehicles	1,239,236	-	1,239,236	1,071,722	-	1,071,722
Parts, service and collision repair	279,370	-	279,370	271,641	-	271,641
Finance, insurance and other	40,959	-	40,959	35,135	-	35,135
Total revenues	1,559,565	-	1,559,565	1,378,498	-	1,378,498
Total gross profit	268,691	-	268,691	247,467	-	247,467
SG&A expenses	(224,310)	-	(224,310)	(205,920)	(382)	(206,302)
Impairment charges	(44)	44	-	(57)	57	-
Depreciation	(8,501)	-	(8,501)	(7,625)	-	(7,625)
Operating income	35,836	44	35,880	33,865	(325)	33,540
Interest expense, floor plan	(4,942)	-	(4,942)	(5,198)	-	(5,198)
Interest expense, other	(17,189)	1,004	(16,185)	(18,252)	-	(18,252)
Interest expense, non-cash, convertible debt	(1,677)	-	(1,677)	(2,619)	-	(2,619)
Interest expense, non-cash, cash flow swaps	(1,683)	1,683	-	-	-	-
Other (expense) / income	62	-	62	50	-	50
Income / (loss) from continuing operations before taxes	10,407	2,731	13,138	7,846	(325)	7,521
Income tax (expense) / benefit	(4,475)	(1,174)	(5,649)	(3,531)	146	(3,385)
Income / (loss) from continuing operations	5,932	1,557	7,489	4,315	(179)	4,136
Income / (Loss) from discontinued operations	(1,778)	-	(1,778)	(2,637)	1,096	(1,541)
Net income	\$ 4,154	\$ 1,557	\$ 5,711	\$ 1,678	\$ 917	\$ 2,595
Diluted:						
Weighted average common shares outstanding	52,579	-	52,579	40,338	-	40,338
Earnings / (loss) per share from continuing operations	\$ 0.11	\$ 0.03	\$ 0.14	\$ 0.11	\$(0.01)	\$ 0.10
Earnings / (loss) per share from discontinued operations	(0.03)	-	(0.03)	(0.07)	0.03	(0.04)
Earnings / (loss) per share	\$ 0.08	\$ 0.03	\$ 0.11	\$ 0.04	\$ 0.02	\$ 0.06
Gross Margin Data (Continuing Operations):						
Retail new vehicles	7.1%		7.1%	6.8%		6.8%
Fleet vehicles	3.7%		3.7%	4.3%		4.3%
Total new vehicles	7.0%		7.0%	6.6%		6.6%
Used vehicles retail	7.9%		7.9%	9.4%		9.4%
Total vehicles retail	7.3%		7.3%	7.5%		7.5%
Wholesale vehicles	(2.2%)		(2.2%)	(0.2%)		(0.2%)
Parts, service and collision repair	50.3%		50.3%	49.6%		49.6%
Finance, insurance and other	100.0%		100.0%	100.0%		100.0%
Overall gross margin	17.2%		17.2%	18.0%		18.0%
SG&A Expenses (Continuing Operations):						
Personnel	\$ 132,542	\$ -	\$ 132,542	\$ 116,080	\$ -	\$ 116,080
Advertising	11,437	-	11,437	11,052	-	11,052
Facility rent	35,833	-	35,833	35,307	-	35,307
Other	44,498	-	44,498	43,481	382	43,863
Total	\$ 224,310	\$ -	\$ 224,310	\$ 205,920	\$ 382	\$ 206,302
SG&A Expenses as % of Gross Profit	83.5%	0.0%	83.5%	83.2%	0.2%	83.4%
Operating Margin %	2.3%	0.0%	2.3%	2.5%	(0.1%)	2.4%
Unit Data (Continuing Operations):						
New retail units	21,484			19,498		
Fleet units	1,750			2,255		
New units	23,234			21,753		
Used units	21,750			17,411		
Total units retailed	44,984			39,164		
Wholesale units	5,200			6,532		
Other Data:						
Same store revenue percentage changes:						
New retail	13.8%			(33.4%)		
Fleet	(19.4%)			(48.1%)		
Total New Vehicles	11.3%			(34.8%)		
Used	28.7%			(8.3%)		
Parts, service and collision repair	2.8%			(4.3%)		
Finance, insurance and other	17.4%			(29.8%)		
Total	13.2%			(25.7%)		

Description of Adjustments:	2010	2009
Continuing Operations:		
Impairment charges	\$ 44	\$ 57
Debt restructuring	295	2,047
Cash flow swaps	1,683	(2,429)
Double-carry interest	709	-
Total pretax	\$ 2,731	\$ (325)
Tax effect	(1,174)	146
Total	\$ 1,557	\$ (179)

Discontinued Operations:			
Impairment charges	\$	-	\$ 1,528
Tax effect		-	(432)
Total	\$	-	\$ 1,096



SONIC
Automotive



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-K for the year ending December 31, 2009.

The background of the slide is a grayscale photograph of a modern building's facade. A large, stylized logo is visible on the building, consisting of the letters 'SOA' in a bold, sans-serif font, with 'AUTOCOMM' written in smaller letters underneath. The building has a grid-like pattern of windows and architectural details.

**First Quarter 2010
Earnings Review**

April 27, 2010



Sonic Automotive Q1 2010

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



Overall Results – Q1

- ✓ Total revenue up 13%
- ✓ New retail volume up 10% with margin up 30 bps
- ✓ New vehicle revenue up 11%
- ✓ Used retail vehicle unit volume up 25%
- ✓ Used retail vehicle revenue up 29%
- ✓ Used to new ratio of 1:1
- ✓ Fixed operations revenue up 3% with margin up 70 bps
- ✓ New and used business driving F&I revenues
- ✓ Refinanced 2013 debt maturity → balance sheet in good shape



Overall Results – QTD (Adjusted *)

(amounts in millions, except per share)

	2010		2009		B / (W)	
	\$	%	\$	%	\$	%
Revenue	\$ 1,559.6		\$ 1,378.5		\$ 181.1	13.1%
Gross Profit	268.7		247.5		21.2	8.6%
Gross Margin %	17.2%		18.0%			
SG&A	(224.3)		(206.3)		(18.0)	(8.7%)
% of Gross	83.5%		83.4%			
Operating Profit	35.9		33.5		2.4	7.2%
% of Revenue	2.3%		2.4%			
Floorplan Interest Exp	(4.9)		(5.2)		0.3	5.8%
Other Interest Exp	(16.2)		(18.3)		2.1	11.5%
Non-Cash, Convertible Debt Interest Exp	(1.7)		(2.6)		0.9	34.6%
Other Income	0.1		0.1		-	0.0%
Profit / (Loss) After Tax:						
Continuing	\$ 7.5		\$ 4.1		\$ 3.4	
Discontinued	(1.8)		(1.5)		(0.3)	
Total Operations	\$ 5.7		\$ 2.6		\$ 3.1	
Diluted EPS:						
Continuing	\$ 0.14		\$ 0.10		\$ 0.04	
Discontinued	(0.03)		(0.04)		0.01	
Total Operations	\$ 0.11		\$ 0.06		\$ 0.05	

* See Appendix for reconciliation to GAAP/Reported amounts



SG&A – QTD (Adjusted *)

(amounts in millions)	2010	2009	Better / (Worse) **
Advertising	\$ 11.4	\$ 11.1	20
Compensation	132.6	116.0	(240)
Other Fixed	30.2	29.5	70
Other Variable	14.3	14.4	40
Rent and Related	35.8	35.3	100
Total SG&A	\$ 224.3	\$ 206.3	
<i>Memo:</i>			
SG&A % of Gross	83.5%	83.4%	(10)

*See Appendix for reconciliation to GAAP/Reported amounts

**SG&A to gross bps change



Major Debt Maturities

(amounts in millions)

	2009	2010	2011	2012	2013	2014	Total
January 2009	\$ 105	\$ 231	\$ -	\$ -	\$ 275	\$ -	\$ 611
December 2009	-	17	-	-	275	173	465
April 2010	-	17	-	-	75	173	475*

Balance sheet restructured and improved

* Includes \$210.0 million due in 2018 of the 9.0% Notes



Debt Covenants

Covenant	Actual Q1 2010	Memo 2012 Covenant
≥ 1.00	1.15	≥ 1.10
≥ 1.10	1.40	≥ 1.20
≤ 2.25	1.37	≤ 2.25

Liquidity Ratio

Fixed Charge Coverage Ratio

Secured Debt to EBITDA Ratio

Compliant with all covenants



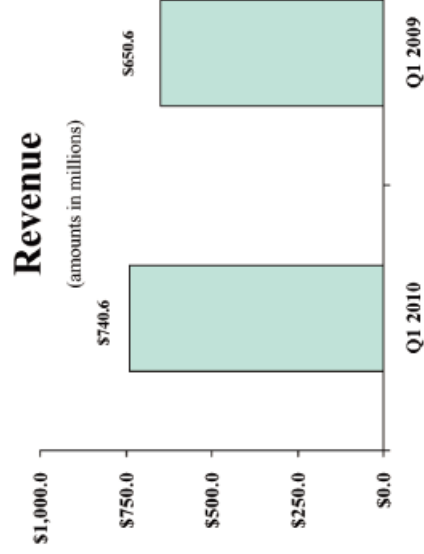
Capital Spending

(amounts in millions)

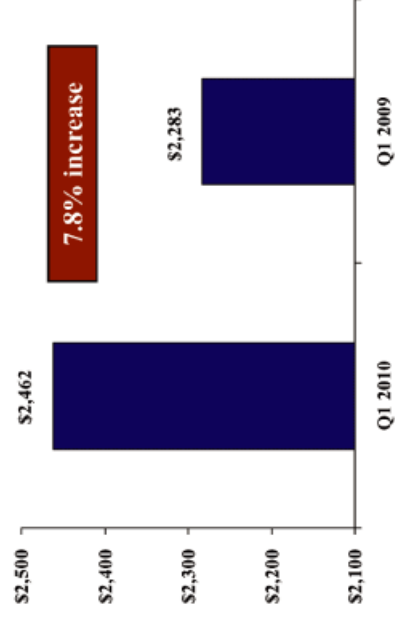
Capital Spending	Q1 2010	FY2010 Estimate
Facility Improvement	\$ 4.9	\$ 47.6
Mortgage Funding	1.3	20.6
Net Cash Used - Facility Related	\$ 3.6	\$ 27.0
Maintenance Cap Ex	2.9	10.8
Total Cash Used - Cap Ex	<u>\$ 6.5</u>	<u>\$ 37.8</u>



New Retail Vehicles – QTD Continuing Operations



Gross Profit \$





Used Vehicles

Continuing Operations

	<u>Q1 2009</u>	<u>Q2 2009</u>	<u>Q3 2009</u>	<u>Q4 2009</u>	<u>Q1 2010</u>
Retail Revenue % Change <i>YOY better / (worse)</i>	(8.3%)	3.5%	16.3%	22.7%	28.7%
Retail Volume % Change <i>YOY better / (worse)</i>	(2.7%)	11.7%	23.7%	18.3%	24.9%
Retail Gross Per Unit	\$ 1,778	\$ 1,512	\$ 1,504	\$ 1,453	\$ 1,540
Retail Gross Profit \$* <i>YOY better / (worse)</i>	(\$2.8M)	(\$2.9M)	\$2.1M	\$4.7M	\$2.5M
Retail Gross Margin %	9.4%	8.1%	8.0%	7.2%	7.9%

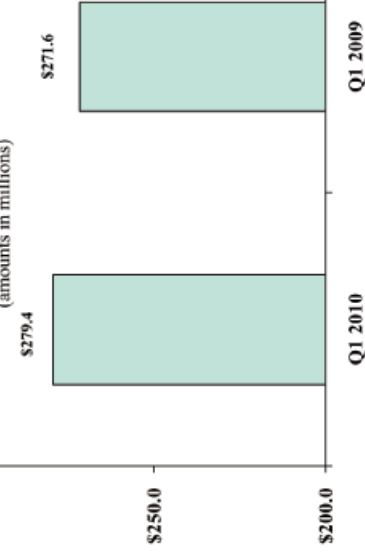
* Excludes any impact from incremental F&I sales and Fixed Operations business



Fixed Operations - QTD Continuing Operations

Revenue

(amounts in millions)

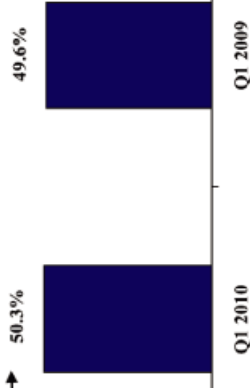


Gross Margin

100.0%

50.0%

0.0%





2010 Outlook

- ✓ Continued improvement of fixed operations – may be weighted towards second half of year
- ✓ Still planning for an 11 million SAAR – some analysts are substantially higher
- ✓ Expect SG&A to gross to decline in subsequent quarters



Summary

- ✓ Operational playbooks continue to drive revenue and gross gains
- ✓ Used business continues to grow
- ✓ Investments in associates and turnover reductions will benefit the future
- ✓ Balance sheet continues to improve - debt maturity repositioning complete



APPENDIX



Reconciliation of Non-GAAP Financial Information

	Three Months Ended		Three Months Ended		Three Months Ended	
	Reported 3/31/2010	Adjustments	Adjusted 3/31/2010	Reported 3/31/2009	Adjustments	Adjusted 3/31/2009
Revenue	\$ 1,559.6	\$ -	\$ 1,559.6	\$ 1,378.5	\$ -	\$ 1,378.5
Gross Profit	268.7	-	268.7	247.5	-	247.5
Gross Margin	17.2%	0.0%	17.2%	18.0%	0.0%	18.0%
SG&A	224.3	-	224.3	205.9	0.4	206.3
SG&A as % of Gross Profit	83.5%	0.0%	83.5%	83.2%	0.2%	83.4%
Impairments	-	-	-	0.1	(0.1)	-
Depreciation	8.5	-	8.5	7.6	-	7.6
Operating Profit / (Loss)	35.9	-	35.9	33.9	(0.4)	33.5
Operating Margin	2.3%	0.0%	2.3%	2.5%	(0.1%)	2.4%
Floorplan Interest Exp	4.9	-	4.9	5.2	-	5.2
Other Interest Exp	17.2	(1.0)	16.2	18.3	-	18.3
Non-Cash, Convertible Debt Interest Exp	1.7	-	1.7	2.6	-	2.6
Non-Cash, Cash Flow Swaps Interest Exp	1.7	(1.7)	-	-	-	-
Income / (Loss) from						
Continuing Operations	\$ 5.9	\$ 1.6 **	\$ 7.5	\$ 4.3	\$ (0.2) *	\$ 4.1
Discontinued Operations	(1.8)	- **	(1.8)	(2.6)	1.1 *	(1.5)
Total Operations	\$ 4.1	\$ 1.6	\$ 5.7	\$ 1.7	\$ 0.9	\$ 2.6
Diluted EPS from						
Continuing Operations	\$ 0.11	\$ 0.03	\$ 0.14	\$ 0.11	\$ (0.01)	\$ 0.10
Discontinued Operations	(0.03)	-	(0.03)	(0.07)	0.03	(0.04)
Total Operations	\$ 0.08	\$ 0.03	\$ 0.11	\$ 0.04	\$ 0.02	\$ 0.06

*Represents tax effected amounts related to impairments, debt restructuring and cash flow swaps

**Represents tax effected amounts related to impairments, debt restructuring, cash flow swaps and double-carry interest



Reconciliation of Non-GAAP Financial Information

	Q1 2009					
	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	\$ 4,315,452	40,099,448	\$ (2,637,133)	40,099,448	\$ 1,678,319	40,099,448
Effect of Dilutive Securities:						
Two Class Method	(31,112)	-	(31,112)	-	(31,112)	-
Options	-	238,810	-	238,810	-	238,810
Reported Diluted	\$ 4,284,340	40,338,258	\$ (2,668,245)	40,338,258	\$ 1,647,207	40,338,258
Unusual Items (tax-effected):						
Impairment Charges	31,464	-	1,095,922	-	1,127,386	-
Cash Flow Swaps	(1,336,005)	-	-	-	(1,336,005)	-
Debt Restructuring	1,125,988	-	-	-	1,125,988	-
Subtotal	\$ 4,105,787	40,338,258	\$ (1,572,323)	40,338,258	\$ 2,564,576	40,338,258
Effect of Dilutive Securities:						
Two Class Method	1,287	-	1,287	-	1,287	-
Adjusted	\$ 4,107,074	40,338,258	\$ (1,571,036)	40,338,258	\$ 2,565,863	40,338,258

