
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 22, 2011

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))
-
-

Item 2.02. Results of Operations and Financial Condition.

On February 22, 2011, we issued a press release announcing results for our fiscal quarter and fiscal year ended December 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 7.01. Regulation FD Disclosure.

On February 22, 2011, we issued a press release announcing the approval of a quarterly cash dividend.

A copy of the press release is attached hereto as Exhibit 99.3.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

- 99.1 Press release of Sonic Automotive, Inc. dated February 22, 2011
- 99.2 Earnings call presentation materials
- 99.3 Press release of Sonic Automotive, Inc. dated February 22, 2011

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 22, 2011

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated February 22, 2011
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc. dated February 22, 2011

***Sonic Automotive, Inc. Fourth Quarter 2010 Adjusted Earnings up \$7.4 million or 74%; Vehicle Sales
Continue Double Digit Growth Trends***

CHARLOTTE, N.C. – February 22, 2011 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported that 2010 fourth quarter earnings from continuing operations were \$1.02 per diluted share compared to \$0.46 per diluted share in the prior year quarter. On an adjusted basis, 2010 fourth quarter earnings from continuing operations were \$0.30 per diluted share compared to \$0.19 per diluted share in the prior year quarter. The adjustments for both periods, which include primarily impairment expenses and income tax benefits, are detailed further in the attached tables.

For the full year 2010, the Company reported earnings from continuing operations of \$1.58 per diluted share compared to \$1.07 per diluted share in the prior year. On an adjusted basis, full year earnings from continuing operations were \$0.99 per diluted share compared to \$0.81 per diluted share for the prior year period. The adjustments for both periods are detailed further in the attached tables.

Fourth Quarter 2010 Highlights

- Total revenues up 17% over prior year quarter
- New vehicle volume up 18%
- Used vehicle volume up 17%; Record annual volume and gross profit
- Parts and Service revenue up 8%; Record annual gross profit

Business Overview – Strong growth in all areas of the business

Commenting on the fourth quarter, B. Scott Smith, the Company’s President, said, “We are pleased with our operating results this quarter and proud of the way our dealerships are embracing our operating playbook best practices. Sonic Automotive benefited from an improved automotive retail environment and our ongoing focus on growing our core business. We continued to see significant growth in new and used vehicle sales in both our domestic and our luxury/import dealerships as our eCommerce and other advertising strategies continued to take effect. We capped off a very successful quarter in December by having the most profitable month in the history of our Company.”

New and Used Vehicles – New retail volume easily outpaces industry growth; Used volume continues double digit growth

Commenting on the Company’s vehicle sales, Jeff Dyke, the Company’s EVP of Operations noted, “The growth in our new vehicle business easily outpaced the overall industry growth of 13.5%. Our new vehicle retail revenue was up approximately 20% compared to the fourth quarter last year. We expect to see continued growth in this area as the industry continues its steady rebound and as we begin to introduce our new vehicle playbook in 2011.”

Relative to used vehicle sales, Mr. Dyke stated, “We are proud to be the used vehicle leader among the public franchised automobile dealer groups. Even with the double digit growth we’ve enjoyed for several years now, we believe significant future growth opportunities remain in this piece of our business as we continue to implement the more advanced stages of our strategy. The most exciting thing about the growth opportunities in new and used vehicles is the impact it has on the other areas of our business.”

Parts and Service – Revenues up 8%; Gross profit up 6%

Sonic's parts and service revenue for the fourth quarter was up 8% compared with the prior year quarter. Mr. Dyke stated, "Our parts and service business continued the growth trend that we've seen all year. Our merchandising efforts, our focus on customer service, and the growth in our new and used vehicle business are helping us retain customers and grow our parts and service business."

2011 Outlook

Scott Smith concluded his comments by stating, "We expect to see continued steady growth in the automotive retailing sector. We are targeting 2011 new vehicle industry volume of 12.5 million units. We currently expect earnings per share from continuing operations of between \$1.18 and \$1.28 for the full year 2011. We will have further comments on our 2011 outlook on our earnings call later today."

Presentation materials for the Company's February 22, 2011 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 "Investor Relations" tab under "Our Company" 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, Conference ID: 41490497, International callers dial (706) 645-9291.

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 growth in new and used vehicle sales, future success and impacts from the implementation of our various operational playbooks, future new vehicle industry volume and expected earnings per share. 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 sales volume, the success of our operational strategies, the rate and timing of overall economic recovery and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2009 and the quarterly report on Form 10-Q for the quarter ending September 30, 2010. 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)

This release contains certain non-GAAP financial measures as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations, related earnings per share data and adjusted EBITDA. 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.

	Three Months Ended			Three Months Ended		
	As Reported 12/31/2010	Adjustments	As Adjusted 12/31/2010	As Reported 12/31/2009	Adjustments	As Adjusted 12/31/2009
Revenues						
New retail vehicles	\$ 975,849	\$ -	\$ 975,849	\$ 811,914	\$ -	\$ 811,914
Fleet vehicles	58,363	-	58,363	50,798	-	50,798
Total new vehicles	1,034,212	-	1,034,212	862,712	-	862,712
Used vehicles	437,258	-	437,258	370,015	-	370,015
Wholesale vehicles	40,705	-	40,705	41,551	-	41,551
Total vehicles	1,512,175	-	1,512,175	1,274,278	-	1,274,278
Parts, service and collision repair	285,357	-	285,357	264,269	-	264,269
Finance, insurance and other	47,361	-	47,361	38,138	-	38,138
Total revenues	1,844,893	-	1,844,893	1,576,685	-	1,576,685
Total gross profit	284,525	-	284,525	256,409	-	256,409
SG&A expenses	(224,155)	-	(224,155)	(209,660)	5,165	(204,495)
Impairment charges	(117)	117	-	(17,753)	17,753	-
Depreciation	(9,381)	-	(9,381)	(11,014)	2,536	(8,478)
Operating income	50,872	117	50,989	17,982	25,454	43,436
Interest expense, floor plan	(5,921)	-	(5,921)	(4,887)	-	(4,887)
Interest expense, other, net	(15,319)	-	(15,319)	(20,286)	2,833	(17,453)
Interest expense, non-cash, convertible debt	(1,739)	-	(1,739)	(2,235)	-	(2,235)
Interest expense / amortization, non-cash, cash flow swaps	519	(519)	-	(6,410)	6,410	-
Other income (expense), net	(3)	-	(3)	(9,196)	9,198	2
Income (loss) from continuing operations before taxes	28,409	(402)	28,007	(25,032)	43,895	18,863
Provision for income taxes — benefit (expense)	37,409	(48,006)	(10,597)	53,091	(61,965)	(8,874)
Income (loss) from continuing operations	65,818	(48,408)	17,410	28,059	(18,070)	9,989
Income (loss) from discontinued operations	(1,464)	602	(862)	(13,809)	10,831	(2,978)
Net income (loss)	\$ 64,354	\$ (47,806)	\$ 16,548	\$ 14,250	\$ (7,239)	\$ 7,011
Diluted:						
Weighted average common shares outstanding	66,042	-	66,042	65,634	-	65,634
Earnings (loss) per share from continuing operations	\$ 1.02	\$ (0.72)	\$ 0.30	\$ 0.46	\$ (0.27)	\$ 0.19
Earnings (loss) per share from discontinued operations	(0.02)	-	(0.02)	(0.21)	0.16	(0.05)
Earnings (loss) per share	\$ 1.00	\$ (0.72)	\$ 0.28	\$ 0.25	\$ (0.11)	\$ 0.14
Gross Margin Data (Continuing Operations):						
Retail new vehicles	6.5%	-	6.5%	7.1%	-	7.1%
Fleet vehicles	3.5%	-	3.5%	3.1%	-	3.1%
Total new vehicles	6.3%	-	6.3%	6.9%	-	6.9%
Used vehicles retail	7.3%	-	7.3%	7.7%	-	7.7%
Total vehicles retail	6.6%	-	6.6%	7.1%	-	7.1%
Wholesale vehicles	(2.7%)	-	(2.7%)	(6.4%)	-	(6.4%)
Parts, service and collision repair	49.4%	-	49.4%	50.4%	-	50.4%
Finance, insurance and other	100.0%	-	100.0%	100.0%	-	100.0%
Overall gross margin	15.4%	-	15.4%	16.3%	-	16.3%
SG&A Expenses (Continuing Operations):						
Personnel	\$ 130,676	\$ -	\$ 130,676	\$ 116,683	\$ -	\$ 116,683
Advertising	10,463	-	10,463	11,802	-	11,802
Rent and rent related	32,515	-	32,515	33,559	(1,091)	32,468
Other	50,501	-	50,501	47,616	(4,074)	43,542
Total	\$ 224,155	\$ -	\$ 224,155	\$ 209,660	\$ (5,165)	\$ 204,495
SG&A Expenses as % of Gross Profit	78.8%		78.8%	81.8%		79.8%
Operating Margin %	2.8%		2.8%	1.1%		2.8%
Unit Data (Continuing Operations):						
New retail units	27,011	-	27,011	22,882	-	22,882
Fleet units	2,289	-	2,289	1,895	-	1,895
Total new units	29,300	-	29,300	24,777	-	24,777
Used units	21,429	-	21,429	18,338	-	18,338
Total units retailed	50,729	-	50,729	43,115	-	43,115
Wholesale units	6,501	-	6,501	6,636	-	6,636
Other Data:						
Continuing Operations revenue percentage changes:						
New retail	20.2%	-	20.2%	11.0%	-	11.0%
Fleet	14.9%	-	14.9%	(10.7%)	-	(10.7%)
Total New Vehicles	19.9%	-	19.9%	9.5%	-	9.5%
Used	18.2%	-	18.2%	22.8%	-	22.8%
Parts, service and collision repair	8.0%	-	8.0%	0.0%	-	0.0%
Finance, insurance and other	24.2%	-	24.2%	11.9%	-	11.9%
Total	17.0%	-	17.0%	10.2%	-	10.2%

Description of Adjustments:	2010	2009
Continuing Operations:		
Lease exit accruals	\$ -	\$ 1,091
Franchise tax assessment	-	2,924
Property impairment charges	117	15,553
Franchise agreement impairment charges	-	2,200
Cash-flow swap ineffectiveness and amortization	(519)	6,410
Derivative mark-to-market	-	1,150
Depreciation add-back	-	2,536
Debt restructuring charges	-	2,833
Loss on debt extinguishment	-	9,198
Total pre-tax adjustments	\$ (402)	43,895
Tax effect of above items	152	(20,651)
Valuation allowance recovery	(48,158)	(41,314)
Total adjustments	<u>\$ (48,408)</u>	<u>\$ (18,070)</u>
Discontinued Operations:		
Lease exit accruals	\$ 859	\$ 23,236
Property impairment charges	-	3,170
Total pre-tax adjustments	859	26,406
Tax effect of above items	(257)	(9,440)
Valuation allowance recovery	-	(6,135)
Total adjustments	<u>\$ 602</u>	<u>\$ 10,831</u>

Sonic Automotive, Inc.

Results of Operations (Unaudited)

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

This release contains certain non-GAAP financial measures as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations, related earnings per share data and adjusted EBITDA. 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.

	Twelve Months Ended			Twelve Months Ended		
	As Reported 12/31/2010	Adjustments	As Adjusted 12/31/2010	As Reported 12/31/2009	Adjustments	As Adjusted 12/31/2009
Revenues						
New retail vehicles	\$ 3,438,988	\$ -	\$ 3,438,988	\$ 3,014,960	\$ -	\$ 3,014,960
Fleet vehicles	207,212	-	207,212	214,988	-	214,988
Total new vehicles	3,646,200	-	3,646,200	3,229,948	-	3,229,948
Used vehicles	1,776,581	-	1,776,581	1,451,870	-	1,451,870
Wholesale vehicles	149,041	-	149,041	147,002	-	147,002
Total vehicles	5,571,822	-	5,571,822	4,828,820	-	4,828,820
Parts, service and collision repair	1,128,054	-	1,128,054	1,071,825	-	1,071,825
Finance, insurance and other	180,968	-	180,968	154,696	-	154,696
Total revenues	6,880,844	-	6,880,844	6,055,341	-	6,055,341
Total gross profit	1,114,678	-	1,114,678	1,032,672	-	1,032,672
SG&A expenses	(896,697)	647	(896,050)	(829,220)	4,015	(825,205)
Impairment charges	(249)	249	-	(23,460)	23,460	-
Depreciation	(35,110)	-	(35,110)	(34,879)	-	(34,879)
Operating income	182,622	896	183,518	145,113	27,475	172,588
Interest expense, floor plan	(21,536)	-	(21,536)	(19,812)	-	(19,812)
Interest expense, other, net	(63,343)	1,464	(61,879)	(78,284)	11,992	(66,292)
Interest expense, non-cash, convertible debt	(6,914)	-	(6,914)	(679)	(11,300)	(11,979)
Interest expense / amortization, non-cash, cash flow swaps	(4,883)	4,883	-	(11,769)	-	-
Other income (expense), net	(7,525)	7,665	140	(6,677)	6,746	69
Income (loss) from continuing operations before taxes	78,421	14,908	93,329	27,892	46,682	74,574
Provision for income taxes — benefit (expense)	17,504	(53,985)	(36,481)	29,275	(61,464)	(32,189)
Income (loss) from continuing operations	95,925	(39,077)	56,848	57,167	(14,782)	42,385
Income (loss) from discontinued operations	(5,996)	625	(5,371)	(25,619)	15,457	(10,162)
Net income (loss)	\$ 89,929	\$ (38,452)	\$ 51,477	\$ 31,548	\$ 675	\$ 32,223
Diluted:						
Weighted average common shares outstanding	65,794	-	65,794	55,832	-	55,832
Earnings (loss) per share from continuing operations	\$ 1.58	\$ (0.59)	\$ 0.99	\$ 1.07	\$ (0.26)	\$ 0.81
Earnings (loss) per share from discontinued operations	(0.09)	0.01	(0.08)	(0.45)	0.27	(0.18)
Earnings (loss) per share	\$ 1.49	\$ (0.58)	\$ 0.91	\$ 0.62	\$ 0.01	\$ 0.63
Gross Margin Data (Continuing Operations):						
Retail new vehicles	6.7%		6.7%	7.0%		7.0%
Fleet vehicles	3.0%		3.0%	3.5%		3.5%
Total new vehicles	6.5%		6.5%	6.8%		6.8%
Used vehicles retail	7.9%		7.9%	8.5%		8.5%
Total vehicles retail	6.9%		6.9%	7.3%		7.3%
Wholesale vehicles	(3.4%)		(3.4%)	(3.7%)		(3.7%)
Parts, service and collision repair	49.8%		49.8%	50.4%		50.4%
Finance, insurance and other	100.0%		100.0%	100.0%		100.0%
Overall gross margin	16.2%		16.2%	17.1%		17.1%
SG&A Expenses (Continuing Operations):						
Personnel	\$ 526,577	\$ -	\$ 526,577	\$ 470,293	\$ -	\$ 470,293
Advertising	46,908	-	46,908	44,736	-	44,736
Rent and rent related	130,739	-	130,739	131,262	(1,091)	130,171
Other	192,473	(647)	191,826	182,929	(2,924)	180,005
Total	\$ 896,697	\$ (647)	\$ 896,050	\$ 829,220	\$ (4,015)	\$ 825,205
SG&A Expenses as % of Gross Profit	80.4%		80.4%	80.3%		79.9%
Operating Margin %	2.7%		2.7%	2.4%		2.9%
Unit Data (Continuing Operations):						
New retail units	98,820			90,664		
Fleet units	8,331			8,697		
Total new units	107,151			99,361		
Used units	90,290			75,795		
Total units retailed	197,441			175,156		
Wholesale units	24,128			25,271		
Other Data:						
Continuing Operations revenue percentage changes:						
New retail	14.1%			(18.4%)		
Fleet	(3.6%)			(31.8%)		
Total New Vehicles	12.9%			(19.4%)		
Used	22.4%			8.1%		
Parts, service and collision repair	5.2%			(2.2%)		
Finance, insurance and other	17.0%			(14.2%)		
Total	13.6%			(12.2%)		

Description of Adjustments:	2010	2009
Continuing Operations:		
Hail storm related expenses	\$ 647	\$ -
Lease exit accruals	-	1,091
Franchise tax assessment	-	2,924
Property impairment charges	249	18,066
Goodwill impairment charges	-	1,094
Franchise agreement impairment charges	-	4,300
Cash-flow swap ineffectiveness and amortization	4,883	11,769
Derivative mark-to-market	-	(11,300)
Debt restructuring charges	1,464	11,992
Loss on debt extinguishment	7,665	6,746
Total pre-tax adjustments	\$ 14,908	\$ 46,682
Tax effect of above items	(5,827)	(20,150)
Valuation allowance recovery	(48,158)	(41,314)
Total adjustments	\$ (39,077)	\$ (14,782)
Discontinued Operations:		
Lease exit accruals	\$ 859	\$ 27,586
Property impairment charges	-	4,992
Goodwill impairment charges	-	1,586
Total pre-tax adjustments	\$ 859	\$ 34,164
Tax effect of above items	(234)	(12,572)
Valuation allowance recovery	-	(6,135)
Total adjustments	\$ 625	\$ 15,457

Sonic Automotive, Inc.
Earnings Per Share Reconciliation (Unaudited)

(In thousands, except per share data)

	For the Three Months Ended December 31, 2009						
	Weighted Average Shares	Income From Continuing Operations		Loss From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings (Loss) and Shares	51,868	\$ 28,059	\$ 0.54	\$ (13,809)	\$ (0.27)	\$ 14,250	
Effect of Participating Securities:							
Unvested Restricted Stock and Stock Units	-	(168)		-		(168)	
Basic Earnings (Loss) Per Share	51,868	\$ 27,891	\$ 0.54	\$ (13,809)	\$ (0.27)	\$ 14,082	\$ 0.27
Effect of Dilutive Securities:							
Contingently Convertible Debt (5.0% Convertible Notes)	12,890	2,225		55		2,280	
Stock Compensation Plans	876						
Diluted Earnings (Loss) Per Share	65,634	\$ 30,116	\$ 0.46	\$ (13,754)	\$ (0.21)	\$ 16,362	\$ 0.25

	For the Three Months Ended December 31, 2010						
	Weighted Average Shares	Income From Continuing Operations		Loss From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings (Loss) and Shares	52,401	\$ 65,818	\$ 1.26	\$ (1,464)	\$ (0.03)	\$ 64,354	
Effect of Participating Securities:							
Unvested Restricted Stock and Stock Units	-	(630)		-		(630)	
Basic Earnings (Loss) Per Share	52,401	\$ 65,188	\$ 1.24	\$ (1,464)	\$ (0.02)	\$ 63,724	\$ 1.22
Effect of Dilutive Securities:							
Contingently Convertible Debt (5.0% Convertible Notes)	12,890	2,313		3		2,316	
Stock Compensation Plans	751						
Diluted Earnings (Loss) Per Share	66,042	\$ 67,501	\$ 1.02	\$ (1,461)	\$ (0.02)	\$ 66,040	\$ 1.00

	For the Twelve Months Ended December 31, 2009						
	Weighted Average Shares	Income From Continuing Operations		Loss From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings (Loss) and Shares	43,836	\$ 57,167	\$ 1.30	\$ (25,619)	\$ (0.58)	\$ 31,548	
Effect of Participating Securities:							
Unvested Restricted Stock and Stock Units	-	(406)		-		(406)	
Basic Earnings (Loss) Per Share	43,836	\$ 56,761	\$ 1.29	\$ (25,619)	\$ (0.58)	\$ 31,142	\$ 0.71
Effect of Dilutive Securities:							
Contingently Convertible Debt (6.0% Convertible Notes)	7,833	916		23		939	
Contingently Convertible Debt (5.0% Convertible Notes)	3,496	2,225		55		2,280	
Stock Compensation Plans	667						
Diluted Earnings (Loss) Per Share	55,832	\$ 59,902	\$ 1.07	\$ (25,541)	\$ (0.45)	\$ 34,361	\$ 0.62

	For the Twelve Months Ended December 31, 2010						
	Weighted Average Shares	Income From Continuing Operations		Loss From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings (Loss) and Shares	52,214	\$ 95,925	\$ 1.84	\$ (5,996)	\$ (0.11)	\$ 89,929	
Effect of Participating Securities:							
Unvested Restricted Stock and Stock Units	-	(921)		-		(921)	
Basic Earnings (Loss) Per Share	52,214	\$ 95,004	\$ 1.82	\$ (5,996)	\$ (0.12)	\$ 89,008	\$ 1.70
Effect of Dilutive Securities:							
Contingently Convertible Debt (5.0% Convertible Notes)	12,890	9,022		31		9,053	
Stock Compensation Plans	690						

Diluted Earnings (Loss) Per Share	<u>65,794</u>	<u>\$ 104,026</u>	<u>\$ 1.58</u>	<u>\$ (5,965)</u>	<u>\$ (0.09)</u>	<u>\$ 98,061</u>	<u>\$ 1.49</u>
-----------------------------------	---------------	-------------------	----------------	-------------------	------------------	------------------	----------------

The logo for Sonic Automotive, featuring the word "Sonic" in a large, italicized, red font with a white outline, and the word "Automotive" in a smaller, red font with a white outline below it. The text is enclosed within a red, stylized oval shape that has a white outline and a slight 3D effect.

Sonic
Automotive

Q4 Earnings Review
February 22, 2011

Cautionary Notice: Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events, are not historical facts and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. These statements can generally be identified by lead-in words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “foresee”, “may”, “will” and other similar words. Statements that describe our Company’s objectives, plans or goals are also forward-looking statements. Examples of such forward-looking information we may be discussing in this presentation include, without limitation, further implementation of our operational strategies and playbooks, future debt retirement, capital expenditures, operating margins and revenues, inventory levels and new vehicle industry sales volume.

You are cautioned that these forward-looking statements are not guarantees of future performance, involve risks and uncertainties and actual results may differ materially from those projected in the forward-looking statements as a result of various factors. These risks and uncertainties include, among other things, (a) economic conditions in the markets in which we operate, (b) the success of our operational strategies, (c) our relationships with the automobile manufacturers and (d) new and used vehicle sales volume. These risks and uncertainties, as well as additional factors that could affect our forward-looking statements, are described in our Form 10-K for the year ending December 31, 2009 and our Form 10-Q for the quarter ending September 30, 2010.

These forward-looking statements, risks, uncertainties and additional factors speak only as of the date of this presentation. We undertake no obligation to update any such statements.

Sonic Automotive Q4 2010

- **Quarter in Review**
- **Financial Results**
- **Operations Recap**
- **Summary and Outlook**

Overall Results – Q4 2010

- ❑ **Portfolio maximization strategy continues to drive results:**
 - **Operating Playbooks key to organic growth:**
 - ❖ Revenues up 17.0%
 - ❖ New vehicle revenue up 19.9%, exceeding industry growth
 - ❖ Used revenue up 18.2%
 - ❖ Fixed Operations up 8.0%
 - Balance sheet and liquidity in great shape
 - Real estate opportunities remain available

- ❑ **SG&A to Gross declined to 78.8%**
- ❑ **Adjusted income from continuing operations up 74.3%**
- ❑ **Q4 adjusted diluted EPS from continuing operations was \$0.30 per share, an increase of 57.9% from 2009**

Quarterly Results (Adjusted*)

(amounts in millions, except per share)

		Adjusted Q4 2010 *	Adjusted Q4 2009 *	Better / (Worse)	
				\$	%
Revenue	\$	1,844.9	\$ 1,576.7	\$ 268.2	17.0%
Gross Profit		284.5	256.4	28.1	11.0%
SG&A		(224.2)	(204.5)	(19.7)	(9.6%)
% of Gross		78.8%	79.8%		
Operating Profit		51.0	43.4	7.6	17.4%
% of Revenue		2.8%	2.8%		
Floorplan Interest Exp		(5.9)	(4.9)	(1.0)	(21.1%)
Other Interest Exp		(15.3)	(17.5)	2.1	12.2%
Non-Cash, Convertible Debt Interest Exp		(1.7)	(2.2)	0.5	22.2%
Profit / (Loss) After Tax:					
Continuing	\$	17.4	\$ 10.0	\$ 7.4	74.3%
Discontinued		(0.9)	(3.0)	2.1	
Total Operations	\$	16.5	\$ 7.0	\$ 9.5	
Diluted EPS:					
Continuing	\$	0.30	\$ 0.19	\$ 0.11	
Discontinued		(0.02)	(0.05)	0.03	
Total Operations	\$	0.28	\$ 0.14	\$ 0.14	

*See appendix for reconciliation to GAAP amounts

Annual Results (Adjusted*)

(amounts in millions, except per share)

		Adjusted *	Adjusted *	Better / (Worse)	
				YTD 2010	YTD 2009
Revenue	\$	6,880.8	\$ 6,055.3	\$ 825.5	13.6%
Gross Profit		1,114.7	1,032.7	82.0	7.9%
Gross Margin %		16.2%	17.1%		
SG&A		(896.2)	(825.2)	(70.9)	(8.6%)
% of Gross		80.4%	79.9%		
Operating Profit / (Loss)		183.4	172.6	10.8	6.3%
% of Revenue		2.7%	2.9%		
Floorplan Interest Exp		(21.5)	(19.8)	(1.7)	(8.7%)
Other Interest Exp		(61.8)	(66.3)	4.5	6.8%
Non-Cash, Convertible Debt Interest Exp		(6.9)	(12.0)	5.1	42.3%
Profit / (Loss) After Tax:					
Continuing	\$	56.8	\$ 42.4	\$ 14.4	
Discontinued		(5.3)	(10.2)	4.9	
Total Operations	\$	51.5	\$ 32.2	\$ 19.3	
Diluted EPS:					
Continuing	\$	0.99	\$ 0.81	\$ 0.18	
Discontinued		(0.08)	(0.18)	0.10	
Total Operations	\$	0.91	\$ 0.63	\$ 0.28	

*See appendix for reconciliation to GAAP amounts

Adjusted EBITDA - All Operations

(amounts in millions)



SG&A – Q4 2010

(dollars in thousands)			<i>% of</i>			<i>% of</i>
	<u>Q4 2010</u>		<i>Gross</i>	<u>Q4 2009⁽¹⁾</u>		<i>Gross</i>
<u>Gross Profit</u>	\$ 284,525		15.4%	\$ 256,410		16.3%
<u>SG&A Expenses</u>						
Advertising	\$ 10,463		3.7%	\$ 11,802		4.6%
Variable Compensation	96,903		34.1%	87,079		34.0%
Other Variable	13,748		4.8%	11,565		4.5%
Rent Expense	24,019		8.4%	24,219		9.4%
Rent Related	8,496		3.0%	8,249		3.2%
Fixed Compensation	33,773		11.9%	29,604		11.5%
Other Fixed	36,753		12.9%	31,977		12.6%
Total SG&A Expenses	\$ 224,155			\$ 204,495		

SG&A to Gross

78.8%

79.8%

100 bps
Improvement

(1) SG&A amounts adjusted for \$1.1M lease exit charge, \$2.9M franchise tax assessment and \$1.2M swap adjustment. Unadjusted amounts are \$12.7M for Other Variable, \$25.3M for Rent Expense, \$34.9M for Other Fixed, \$209.7M for Total SG&A and 81.8% for SG&A % of Gross.

Liquidity

<i>(amounts in millions)</i>	<u>Dec 2010 ⁽¹⁾</u>	<u>Dec 2009 ⁽¹⁾</u>
Cash Balance	\$ 22	\$ 30
Used Line Liquidity	38	-
Revolver Capacity	98	49
Total Liquidity	<u>\$ 158</u>	<u>\$ 79</u>
Revolver Balance	\$ -	\$ -
8.625% Notes	43	275
4.25% Convertible Notes	-	17
9.0% Notes	210	-
5.0% Convertible Notes	173	173
Total	<u>\$ 426</u>	<u>\$ 465</u>

(1) Excludes other non-public debt principal (primarily mortgages) of \$140.8 million and \$155.6 million at December 31, 2009 and December 31, 2010, respectively.

Capital Spending

<i>(amounts in millions)</i>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Expected FY 2011</u>
Facility Improvement	\$ 29.9	\$ 37.9	\$ 33.6
Real Estate Acquisitions	-	31.8	80.2
Less: Mortgage Funding	<u>(6.3)</u>	<u>(21.2)</u>	<u>(70.3)</u>
Net Cash Used - Facility Related	\$ 23.6	\$ 48.5	\$ 43.5
IT Capital Spending	7.5	8.3	9.7
Maintenance Cap Ex	5.9	7.1	10.0
Total Cash Used - Cap Ex	<u>\$ 37.0</u>	<u>\$ 63.9</u>	<u>\$ 63.2</u>

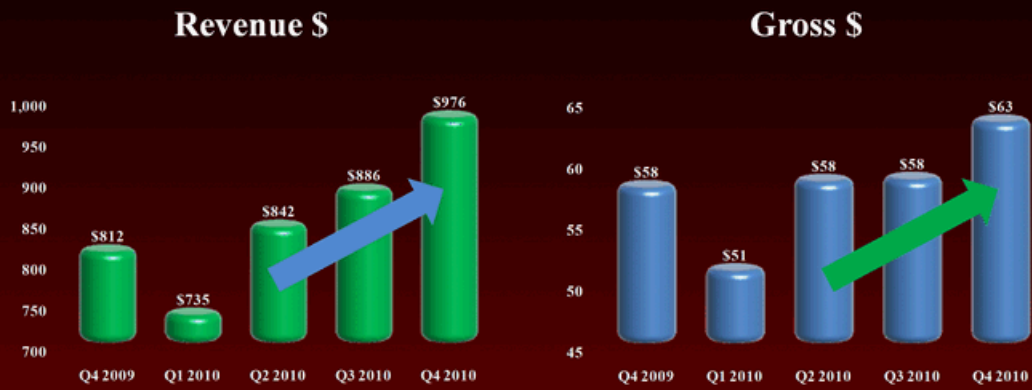
Debt Covenants

	<u>Covenant</u>	<u>Actual Q4 2010</u>	<u>Memo 2012 Covenant</u>
Liquidity Ratio	≥ 1.00	1.17	≥ 1.10
Fixed Charge Coverage Ratio	≥ 1.10	1.40	≥ 1.20
Total Senior Secured Debt to EBITDA Ratio	≤ 2.25	1.22	≤ 2.25

Compliant with all Covenants

New Retail Vehicles

(amounts in millions)



Sequential revenue and gross increases since Q1 2010.
(Q4 2010 significantly higher than Q4 2009)

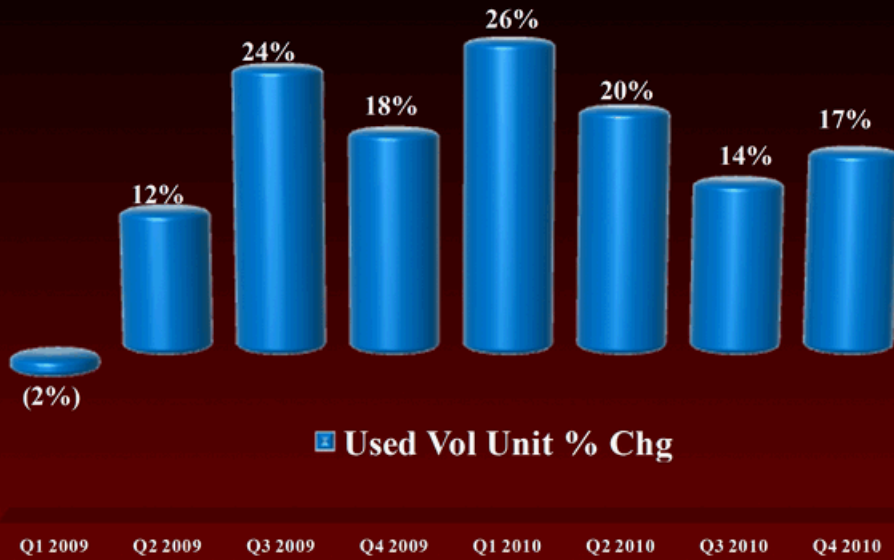
New Retail Vehicle Trend

	<u>GM%</u>	<u>GPU</u>	<u>YOY New Vehicle Gross Profit \$ Growth</u>	<u>YOY New Vehicle F&I Revenue Growth *</u>
Q1	6.9%	\$ 2,383	\$ 7.4	\$ 2.7
Q2	6.9%	\$ 2,364	\$ 10.0	\$ 3.3
Q3	6.6%	\$ 2,267	\$ (3.7) **	\$ 0.0
Q4	6.5%	\$ 2,338	\$ 5.4	\$ 5.7
FY 2010	6.7%	\$ 2,336	\$ 19.1	\$ 11.8

* F&I revenue associated with new vehicle sales

** Q3 2009 included Cash for Clunkers program

Used Retail Vehicles Volume



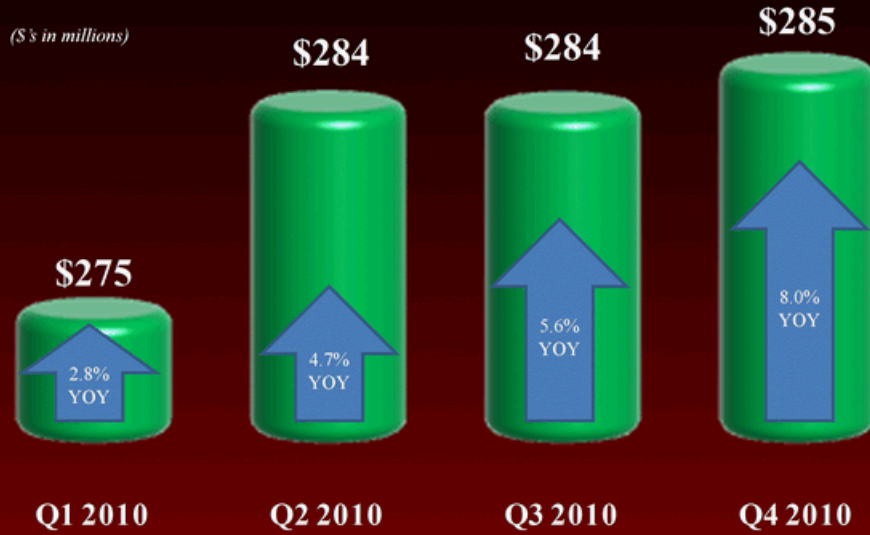
Multiple year double-digit growth in unit volume

Used Retail Vehicle Trend

	<u>GM%</u>	<u>GPU</u>	<u>YOY Used Vehicle Gross Profit \$ Growth</u>	<u>YOY Used Vehicle F&I Revenue Growth *</u>
Q1	8.3%	\$ 1,618	\$ 3.6	\$ 3.5
Q2	8.1%	\$ 1,542	\$ 5.4	\$ 3.8
Q3	7.8%	\$ 1,533	\$ 3.0	\$ 4.2
Q4	7.3%	\$ 1,494	\$ 3.5	\$ 3.6
FY 2010	7.9%	\$ 1,546	\$ 15.6	\$ 15.1

* F&I revenue associated with used vehicle retail sales

Fixed Operations Revenue Trend



Fixed Operations Gross Trend

(\$'s in millions)



Summary

- ❑ **Strong operating performance:**
 - **New vehicle volume easily outpaced industry**
 - **Used retail vehicle volume and gross continue to grow**
 - **Fixed operations gross profit up for Q4 and full year**
 - **F&I continues to benefit from growth in new and used volume**
 - **28% total company turnover; 80% customer satisfaction**

- ❑ **Predictable, Repeatable, Sustainable process strategy continues:**
 - **New vehicle playbook rollout just beginning**
 - **Used vehicle and F&I refinements continue**

- ❑ **Generating increasing amounts of cash for strategic purposes**

2011 Outlook

- Expect New Vehicle SAAR of 12.5 million
- Used Vehicle Growth in low double digits
- Property Purchases to Continue
- Expect SG&A to gross below 80%
- Targeting 2011 Diluted EPS from Continuing Operations of \$1.18 - \$1.28

APPENDIX

Reconciliation of Non-GAAP Financial Information

Three Months Ended December 31,

(\$ in millions, shares in thousands, except per share data)	2009			2010		
	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted
Revenues	\$ 1,576.7	\$ -	\$ 1,576.7	\$ 1,844.9	\$ -	\$ 1,844.9
Gross Profit	256.4	-	256.4	284.5	-	284.5
Gross Margin	16.3%		16.3%	15.4%		15.4%
SG&A	(209.7)	5.2	(204.5)	(224.2)	-	(224.2)
SG&A as % of Gross Profit	81.8%		79.8%	78.8%		78.8%
Impairment Charges	(17.8)	17.8	-	(0.1)	0.1	-
Depreciation and Amortization	(11.0)	2.5	(8.5)	(9.4)	-	(9.4)
Operating income	18.0	25.5	43.4	50.9	0.1	51.0
Operating Margin	1.1%		2.8%	2.8%		2.8%
Interest Expense, Floor Plan	(4.9)	-	(4.9)	(5.9)	-	(5.9)
Interest Expense, Other, Net	(20.3)	2.8	(17.5)	(15.3)	-	(15.3)
Interest Expense, Non-Cash	(8.6)	6.4	(2.2)	(1.2)	(0.5)	(1.7)
Other Income (Expense), Net	(9.2)	9.2	0.0	(0.0)	-	(0.0)
Income (loss) from continuing operations	28.1	(18.1) (1)	10.0	65.8	(48.4) (2)	17.4
Loss from discontinued operations	(13.8)	10.8 (1)	(3.0)	(1.5)	0.6 (2)	(0.9)
Net income (loss)	\$ 14.3	\$ (7.2)	\$ 7.0	\$ 64.4	\$ (47.8)	\$ 16.5
Diluted earnings (loss) per common share:						
Earnings (loss) per share						
from continuing operations	\$ 0.46	\$ (0.27)	\$ 0.19	\$ 1.02	\$ (0.72)	\$ 0.30
Loss per share from discontinued operations	(0.21)	0.16	(0.05)	(0.02)	-	(0.02)
Earnings (loss) per common share	\$ 0.25	\$ (0.11)	\$ 0.14	\$ 1.00	\$ (0.72)	\$ 0.28
Weighted average shares outstanding	65,634		65,634	66,042		66,042

(1) Represents Tax-Effectuated Amounts Related to Lease Exit Accruals, Franchise Taxes, Impairments, Depreciation, Interest Rate Swaps, Debt Restructuring and Tax Items.

(2) Represents Tax-Effectuated Amounts Related to Lease Exit Accruals, Impairments, Interest Rate Swaps and Tax Items.

Reconciliation of Non-GAAP Financial Information

Year Ended December 31,

(S in millions, shares in thousands, except per share data)	2009		2010			
	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted
Revenues	\$ 6,055.3	\$ -	\$ 6,055.3	\$ 6,880.8	\$ -	\$ 6,880.8
Gross Profit	1,032.7	-	1,032.7	1,114.7	-	1,114.7
Gross Margin	17.1%		17.1%	16.2%		16.2%
SG&A	(829.2)	4.0	(825.2)	(896.8)	0.6	(896.2)
SG&A as % of Gross Profit	80.3%		79.9%	80.4%		80.4%
Impairment Charges	(23.5)	23.5	-	(0.2)	0.2	-
Depreciation and Amortization	(34.9)	-	(34.9)	(35.1)	-	(35.1)
Operating income	145.1	27.5	172.6	182.6	0.8	183.4
Operating Margin	2.4%		2.9%	2.7%		2.7%
Interest Expense, Floor Plan	(19.8)	-	(19.8)	(21.5)	-	(21.5)
Interest Expense, Other, Net	(78.3)	12.0	(66.3)	(63.3)	1.5	(61.8)
Interest Expense, Non-Cash	(12.5)	0.5	(12.0)	(11.8)	4.9	(6.9)
Other Income (Expense), Net	(6.6)	6.7	0.1	(7.6)	7.7	0.1
Income (loss) from continuing operations	57.2	(14.8) (1)	42.4	95.9	(39.1) (2)	56.8
Loss from discontinued operations	(25.7)	15.5 (1)	(10.2)	(6.0)	0.7 (2)	(5.3)
Net income (loss)	\$ 31.5	\$ 0.7	\$ 32.2	\$ 89.9	\$ (38.4)	\$ 51.5
Diluted earnings (loss) per common share:						
Earnings (loss) per share						
from continuing operations	\$ 1.07	\$ (0.26)	\$ 0.81	\$ 1.58	\$ (0.59)	\$ 0.99
Loss per share from discontinued operations	(0.45)	0.27	(0.18)	(0.09)	0.01	(0.08)
Earnings (loss) per common share	\$ 0.62	\$ 0.01	\$ 0.63	\$ 1.49	\$ (0.58)	\$ 0.91
Weighted average shares outstanding	55,832		55,832	65,794		65,794

(1) Represents Tax-Effectuated Amounts Related to Lease Exit Accruals, Franchise Taxes, Impairments, Interest Rate Swaps, Debt Restructuring and Tax Items.

(2) Represents Tax-Effectuated Amounts Related to Hail Damage, Lease Exit Accruals, Impairments, Interest Rate Swaps, Debt Restructuring and Tax Items.

Reconciliation of Non-GAAP Financial Information

Three Months Ended December 31, 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
(\$ and shares in thousands, except per share data)									
Reported	\$ 28,059	51,868		\$ (13,809)	51,868		\$ 14,250	51,868	
Effect of Dilutive Securities:									
Two Class Method	(168)	-		-	-		(168)	-	
Options	-	876		-	876		-	876	
5.0% Notes	2,225	12,890		55	12,890		2,280	12,890	
Reported Diluted	\$ 30,116	65,634	\$ 0.46	\$ (13,754)	65,634	\$ (0.21)	\$ 16,362	65,634	\$ 0.25
Unusual Items (tax-effected):									
Impairment Charges	9,401	-		2,037	-		11,438	-	
Lease Exit Accruals	578	-		14,929	-		15,507	-	
Franchise Taxes	1,549	-		-	-		1,549	-	
Interest Rate Swaps	4,003	-		-	-		4,003	-	
Debt Restructuring	6,370	-		-	-		6,370	-	
Depreciation	1,343	-		-	-		1,343	-	
Tax Items	(41,314)	-		(6,135)	-		(47,449)	-	
Subtotal	\$ 12,046	65,634	\$ 0.18	\$ (2,923)	65,634	\$ (0.04)	\$ 9,123	65,634	\$ 0.14
Effect of Dilutive Securities:									
Two Class Method	108	-		-	-		108	-	
Adjusted	\$ 12,154	65,634	\$ 0.19	\$ (2,923)	65,634	\$ (0.05)	\$ 9,231	65,634	\$ 0.14

Reconciliation of Non-GAAP Financial Information

Three Months Ended December 31, 2010

	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
(S and shares in thousands, except per share data)									
Reported	\$ 65,818	52,401		\$ (1,464)	52,401		\$ 64,354	52,401	
Effect of Dilutive Securities:									
Two Class Method	(630)	-		-	-		(630)	-	
Options	-	751		-	751		-	751	
5.0% Notes	2,313	12,890		3	12,890		2,316	12,890	
Reported Diluted	\$ 67,501	66,042	\$ 1.02	\$ (1,461)	66,042	\$ (0.02)	\$ 66,040	66,042	\$ 1.00
Unusual Items (tax-effected):									
Impairment Charges	73	-		-	-		73	-	
Lease Exit and Other Accruals	-	-		602	-		602	-	
Interest Rate Swaps	(323)	-		-	-		(323)	-	
Tax Items	(48,158)	-		-	-		(48,158)	-	
Subtotal	\$ 19,093	66,042	\$ 0.29	\$ (859)	66,042	\$ (0.01)	\$ 18,234	66,042	\$ 0.28
Effect of Dilutive Securities:									
Two Class Method	464	-		-	-		464	-	
Adjusted	\$ 19,557	66,042	\$ 0.30	\$ (859)	66,042	\$ (0.02)	\$ 18,698	66,042	\$ 0.28

Reconciliation of Non-GAAP Financial Information

	Year Ended December 31, 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
(\$ and shares in thousands, except per share data)									
Reported	\$ 57,167	43,836		\$ (25,619)	43,836		\$ 31,548	43,836	
Effect of Dilutive Securities:									
Two Class Method	(406)	-		-	-		(406)	-	
Options	-	667		-	667		-	667	
6.0% Notes	916	7,833		23	7,833		939	7,833	
5.0% Notes	2,225	3,496		55	3,496		2,280	3,496	
Reported Diluted	\$ 59,902	55,832	\$ 1.07	\$ (25,541)	55,832	\$ (0.46)	\$ 34,361	55,832	\$ 0.62
Unusual Items (tax-effected):									
Impairment Charges	13,334	-		4,157	-		17,491	-	
Lease Exit Accruals	620	-		17,434	-		18,054	-	
Franchise Taxes	1,662	-		-	-		1,662	-	
Interest Rate Swaps	6,689	-		-	-		6,689	-	
Debt Restructuring	4,227	-		-	-		4,227	-	
Depreciation	-	-		-	-		-	-	
Tax Items	(41,314)	-		(6,135)	-		(47,449)	-	
Subtotal	\$ 45,120	55,832	\$ 0.81	\$ (10,085)	55,832	\$ (0.18)	\$ 35,035	55,832	\$ 0.63
Effect of Dilutive Securities:									
Two Class Method	106	-		-	-		106	-	
Adjusted	\$ 45,226	55,832	\$ 0.81	\$ (10,085)	55,832	\$ (0.18)	\$ 35,141	55,832	\$ 0.63

Reconciliation of Non-GAAP Financial Information

	Year Ended December 31, 2010								
	Continuing Operations			Discontinued Operations			Total Operations		
	Net Income (Loss) / Share			Net Income (Loss) / Share			Net Income (Loss) / Share		
(S and shares in thousands, except per share data)	Numerator	Share Count	Diluted EPS	Numerator	Share Count	Diluted EPS	Numerator	Share Count	Diluted EPS
Reported	\$ 95,925	52,214		\$ (5,996)	52,214		\$ 89,929	52,214	
Effect of Dilutive Securities:									
Two Class Method	(921)	-		-	-		(921)	-	
Options	-	690		-	690		-	690	
5.0% Notes	9,022	12,890		31	12,890		9,053	12,890	
Reported Diluted	\$ 104,026	65,794	\$ 1.58	\$ (5,965)	65,794	\$ (0.09)	\$ 98,061	65,794	\$ 1.49
Unusual Items (tax-effected):									
Impairment Charges	152	-		-	-		152	-	
Lease Exit and Other Accruals	-	-		625	-		625	-	
Interest Rate Swaps	2,974	-		-	-		2,974	-	
Debt Restructuring	5,561	-		-	-		5,561	-	
Hail Damage	394	-		-	-		394	-	
Tax Items	(48,158)	-		-	-		(48,158)	-	
Subtotal	\$ 64,949	65,794	\$ 0.99	\$ (5,340)	65,794	\$ (0.08)	\$ 59,609	65,794	\$ 0.91
Effect of Dilutive Securities:									
Two Class Method	375	-		-	-		375	-	
Adjusted	\$ 65,324	65,794	\$ 0.99	\$ (5,340)	65,794	\$ (0.08)	\$ 59,984	65,794	\$ 0.91

Reconciliation of Non-GAAP Financial Information

(Amounts in Millions)	YTD 2007	YTD 2008	YTD 2009	YTD 2010
Adjusted EBITDA	\$ 243	\$ 155	\$ 174	\$ 200
Add (Subtract):				
Interest Expense (1)	(34)	(58)	(61)	(68)
Income Taxes	(63)	139	54	20
Gain (Loss) on Retirement of Debt	-	-	(7)	(8)
Impairment Charges	(6)	(851)	(30)	-
Loss on Exit of Leased Dealerships	(2)	(18)	(33)	(4)
Stock-Based Compensation Expense	(6)	(6)	(3)	(3)
Depreciation and Amortization (2)	(41)	(51)	(63)	(46)
Other	(1)	(2)	1	(1)
Net Income (Loss)	90	(692)	32	90
Add (Subtract):				
Depreciation and Amortization (2)	41	51	63	46
Provision for Bad Debts	3	2	1	1
Deferred Income Taxes	20	(145)	(31)	(28)
Equity Interest in (Earnings) Losses of Investees	(1)	-	(1)	(1)
Impairment Charges	6	852	30	-
(Gain) Loss on Disposal of Assets	1	1	(1)	(1)
(Gain) Loss on Retirement of Debt	-	(1)	7	8
Loss on Exit of Leased Dealerships	2	18	33	4
Stock-Based Compensation Expense	5	6	2	3
Derivative Liability Fair Value Adjustments	-	-	(11)	-
Non-Cash Adjustments - Cash Flow Swaps	-	-	12	5
Changes in Assets and Liabilities that Relate to Operations	(133)	29	268	128
Net Cash Provided By Operating Activities	\$ 34	\$ 121	\$ 404	\$ 255

(1) Includes: Interest Expense-Other, Interest Expense-Non-Cash-Convertible Debt, and Interest Expense-Non-Cash-Cash Flow Swaps, less debt discount/premium amortization.

(2) Includes depreciation and amortization of PP&E, debt issue cost amortization, other amortization and debt discount amortization, net of premium amortization.

SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – February 22, 2011 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that its Board of Directors approved a quarterly dividend of \$0.025 per share payable in cash for shareholders of record on March 15, 2011. The dividend will be payable April 15, 2011.

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 is a forward-looking statement pertaining to an anticipated cash dividend to shareholders. 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 sales volume, the success of our operational strategies, the rate and timing of overall economic recovery and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2009 and the quarterly report on Form 10-Q for the quarter ending September 30, 2010. The Company does not undertake any obligation to update forward-looking information.