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 17, 2006

SONIC AUTOMOTIVE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-13395	**56-201079**
(Commission File Number)	**(IRS Employer Identification No.)**
6415 Idlewild Road, Suite 109 **Charlotte, North Carolina**	**28212**
(Address of principal executive offices)	**(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 1.01. Entry into a Material Definitive Agreement.

On February 17, 2006, Sonic Automotive, Inc. (“Sonic”) entered into a new four-year syndicated credit facility (the “New Credit Facility”) with Toyota Motor Credit Corporation, BMW Financial Services NA, LLC, Nissan Motor Acceptance Corporation, Bank of America, N.A., JPMorgan Chase Bank, Wachovia Bank, Comerica Bank, Sovereign Bank, SunTrust Bank, Fifth Third Bank, General Electric Capital Corporation, Key Bank, World Omni Financial Corporation and Carolina First Bank, providing for up to $1.2 billion in revolving credit and floor plan financing. Bank of America, N.A. is the administrative agent. JPMorgan Chase Bank is the syndication agent and Toyota Motor Credit Corporation is the documentation agent for the New Credit Facility. The Revolving Credit Sub-Facility (as defined below) matures on February 17, 2010. The New Vehicle Floor Plan Sub-Facility (as defined below) and the Used Vehicle Floor Plan Sub-Facility (as defined below) mature on the earlier of (i) February 17, 2010 or (ii) upon demand by the administrative agent at the request of more than 80% of the lenders under those facilities. The New Credit Facility replaces Sonic’s existing $550 million revolving credit facility dated as of February 5, 2003 with Ford Motor Credit Company, as Agent and Lender, and DaimlerChrysler Services North America LLC, Bank of America, N.A., Toyota Motor Credit Corporation, Merrill Lynch Capital Corporation and JPMorgan Chase Bank, as Lenders (the “Old Facility”) and a portion of Sonic’s existing floor plan financing arrangements.

The New Credit Facility has a borrowing limit of $1.2 billion, which may be expanded up to $1.45 billion in total credit availability upon satisfaction of certain conditions. Under the terms of the New Credit Facility, up to $700 million is available for new vehicle inventory floor plan financing (the “New Vehicle Floor Plan Sub-Facility”), up to $150 million is available for used vehicle inventory floor plan financing (the “Used Vehicle Floor Plan Sub-Facility”) and up to $350 million is available for working capital and general corporate purposes (the “Revolving Credit Sub-Facility”). The amount available for borrowing under the Revolving Credit Sub-Facility is reduced on a dollar-for-dollar basis by the aggregate face amount of any outstanding letters of credit under the Revolving Credit Sub-Facility. The amounts outstanding under the Revolving Credit Sub-Facility will bear interest at a specified percentage above LIBOR according to a performance-based pricing grid determined by Sonic’s Total Senior Secured Debt to EBITDA Ratio as of the last day of the immediately preceding fiscal quarter. The range of the performance-based pricing grid is from 1.75% above LIBOR to 2.75% above LIBOR, and is anticipated to commence at 2.00% above LIBOR. In addition, there is a quarterly commitment fee payable by Sonic on the unused portion of the Revolving Credit Sub-Facility according to a performance-based pricing grid determined by Sonic’s Total Senior Secured Debt to EBITDA Ratio as of the last day of the immediately preceding fiscal quarter. The range of the performance-based pricing grid for the quarterly commitment fee is 0.20% to 0.45% on the unused portion of the Revolving Credit Sub-Facility, and is anticipated to commence at 0.25%. The amounts outstanding under the New Vehicle Floor Plan Sub-Facility will bear interest at 1.00% above LIBOR. The amounts outstanding under the Used Vehicle Floor Plan Sub-Facility will bear interest at 1.125% above LIBOR. In addition, there are quarterly commitment fees of 0.20% payable by Sonic on the unused portion of both the New Vehicle Floor Plan Sub-Facility and the Used Vehicle Floor Plan Sub-Facility. Under the terms of collateral documents entered into with the lenders under the New Credit Facility, outstanding balances under the New Credit Facility are secured by a pledge of substantially all of

Sonic's assets and the assets of substantially all of Sonic's domestic subsidiaries, which domestic subsidiaries also guarantee Sonic's obligations under the New Credit Facility, and the pledge of certain additional collateral by one of Sonic's affiliates. The collateral for the New Credit Facility also includes the pledge of the stock or equity interests of Sonic's dealership franchise subsidiaries, except where such a pledge is prohibited by the applicable vehicle manufacturer.

Sonic agreed under the New Credit Facility not to pledge any assets to any third party, subject to certain stated exceptions, including floor plan financing arrangements. In addition, the New Credit Facility contains certain negative covenants, including covenants which could restrict or prohibit the payment of dividends, capital expenditures and material dispositions of assets as well as other customary covenants and default provisions. Specifically, the New Credit Facility permits cash dividends on Sonic's Class A and Class B common stock so long as no event of default or unmatured default (as defined in the New Credit Facility) has occurred and is continuing and provided that, after giving effect to the payment of a dividend, Sonic remains in compliance with other terms and conditions of the New Credit Facility. Financial covenants include required specified ratios of:

Covenant	Required
Minimum Liquidity ratio	≥ 1.15
Fixed charge coverage ratio	≥ 1.20
Adjusted fixed charge coverage ratio	≥ 1.05
Total Senior Secured Debt to EBITDA	≤ 2.25

The New Credit Facility contains events of default, including cross-defaults to other material indebtedness, change of control events and events of default customary for syndicated commercial credit facilities. Upon the occurrence of an event of default, we could be required to immediately repay all outstanding amounts under the New Credit Facility.

On February 17, 2006, Sonic also entered into or renewed separate floor plan credit arrangements with DaimlerChrysler Services North America LLC, Ford Motor Credit Company and General Motors Acceptance Corporation. These separate floor plan credit facilities provide a total of approximately $555 million of availability to finance new vehicle inventory purchased from the respective manufacturer affiliates of these captive finance companies. Sonic also anticipates entering into a new separate floor plan credit facility with BMW Financial Services NA, LLC in the near future to provide up to $65 million of availability to finance new vehicle inventory purchased from BMW of North America, LLC. Each of these separate floor plan facilities bear interest, or will bear interest, at variable rates based on prime and LIBOR. Sonic's obligations under each of these separate floor plan facilities are secured, or will be secured, by liens on all of the new vehicle inventory financed under the respective floor plan credit facility, as well as the proceeds from the sale of such vehicles, and certain other collateral.

Lenders under the New Credit Facility are also parties to various floor plan arrangements with Sonic and its subsidiaries. Sonic and its affiliates also have commercial banking, investment banking, equipment leasing, retail lending and other lending relationships with certain of the lenders under the New Credit Facility and/or their affiliates, some of which are secured by Sonic common stock. Sonic and its affiliates also have retail lending relationships with each of the separate floor plan lenders listed above and/or their affiliates. Sonic has also entered into derivative transactions with certain of the lenders under the New Credit Facility or their affiliates, including interest rate swaps and warrant and hedge transactions.

Item 1.02. Termination of a Material Definitive Agreement.

On February 17, 2006, in connection with entering into the New Credit Facility, the Old Facility was terminated. The Old Facility was a $550 million revolving credit facility scheduled to mature on January 31, 2007. The discussion of the Old Facility in Note 6 to our financial statements filed as Exhibit 99.1 to Sonic's Current Report on Form 8-K filed on November 3, 2005 and the disclosure required by this item and contained elsewhere in this Form 8-K is incorporated by reference herein. In addition, Sonic terminated certain of its existing floor plan facilities with certain of the lenders in the New Credit Facility and with certain of the lenders in the Old Credit Facility.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On February 17, 2006, in conjunction with the entrance into the New Credit Facility, Sonic and substantially all of Sonic's domestic subsidiaries entered into collateral documents with the lenders, pursuant to which Sonic and substantially all of Sonic's domestic subsidiaries granted a security interest in substantially all their assets to secure Sonic's obligations under the New Credit Facility, including a pledge of the stock or equity interests of Sonic's dealership franchise subsidiaries except where such a pledge is prohibited by the applicable vehicle manufacturer. This grant of security interests replaces the grant under the Old Facility. In addition, on February 17, 2006, Sonic also entered into or renewed separate floor plan credit facilities with DaimlerChrysler Services North America, LLC, Ford Motor Credit Company and General Motors Acceptance Corporation, pursuant to which Sonic and certain of its dealership subsidiaries granted security interests in all of the new vehicle inventory financed under these respective floor plan credit facilities, as well as the proceeds from the sale of such vehicles, and certain other collateral. This grant of security interests replaces the grants made to such floor plan lenders under the prior floor plan credit facilities with such lenders. The terms of the anticipated new floor plan credit facility with BMW Financial Services NA, LLC would require a grant of a comparable security interest by Sonic and certain of its dealership subsidiaries. The disclosure required by this item and contained elsewhere in this Form 8-K is incorporated by reference.

Item 2.02. Results of Operations and Financial Condition.

On February 21, 2006, we issued a press release announcing results for our fiscal quarter and fiscal year ended December 31, 2005.

A copy of the press release is attached hereto as Exhibit 99.1. The financial data included in this press release is contained in Exhibit 99.3 to this Form 8-K.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this item and contained elsewhere in this Form 8-K is incorporated by reference.

Item 7.01. Regulation FD Disclosure.

On February 21, 2006, we issued a press release announcing the approval of a quarterly cash dividend.

A copy of the press release is attached hereto as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc. dated February 21, 2006 (table of financial data that was included in this press release is contained in Exhibit 99.3 of this Form 8-K)

99.2 Press release of Sonic Automotive, Inc. dated February 21, 2006

99.3 Table of financial data for fiscal quarter and fiscal year ended December 31, 2005

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 21, 2006

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release of Sonic Automotive, Inc. dated February 21, 2006 (table of financial data that was included in this press release is contained in Exhibit 99.3 of this Form 8-K)
99.2	Press release of Sonic Automotive, Inc. dated February 21, 2006
99.3	Table of financial data for fiscal quarter and fiscal year ended December 31, 2005

SONIC AUTOMOTIVE, INC. 4th QUARTER EARNINGS SOAR, UP 29%; COMPANY ANNOUNCES FULL YEAR 2006 EARNINGS TARGET

CHARLOTTE, NC (February 21, 2006) -Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today reported that its 2005 fourth quarter income from continuing operations was $25.2 million, or $0.58 per diluted share, compared to $19.3 million, or $0.45 per diluted share, in the prior year period. For the full year 2005, income from continuing operations was $101.8 million, or $2.33 per diluted share, compared to $93.3 million, or $2.16 per diluted share, in the prior year.

Commenting on fourth quarter performance, Chairman and Chief Executive Officer O. Bruton Smith said, "Sonic Automotive's earnings reflect the strength of our operating model as performance improved in a difficult industry environment. Our strong brand mix yielded a 40 basis point gross margin improvement over the prior year quarter along with reduced costs as SG&A as a percentage of gross profit declined 350 basis points over the prior year quarter. The Sonic management team executed on our strategic operating iniatives and exceeded the targets previously communicated to the marketplace."

"Our operating results highlight the benefits of our long-term portfolio enrichment strategy," said President and Chief Operating Officer Jeffrey C. Rachor. "During December 2005 and early 2006 we closed on three acquisitions representing $280 million in annual revenues. These larger luxury and import dealerships are in key existing markets for Sonic Automotive. They exemplify the criteria we have outlined in our overall acquisition strategy."

Looking ahead to 2006, Mr. Rachor said, "It is likely that we will add targeted acquisitions with aggregate annualized revenues of approximately $400 million to $700 million, which will help offset the effect of rising interest rates on our business. We expect operating execution to continue to improve as process standardization, technology and management infrastructure mature. Accordingly, we are targeting earnings per share from continuing operations to be between $2.40 and $2.50 for 2006."

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is one of the largest automotive retailers in the United States operating 177 franchises and 38 collision repair centers. Sonic can be reached on the Web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements pertaining to anticipated acquisition activity, earnings per share from continuing operations, operating improvements, as well as anticipated interest rate environment and industry conditions. 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 Exhibit 99.2 to the Company's Current Report on Form 8-K dated November 3, 2005. The Company does not undertake any obligation to update forward-looking information.

MANAGEMENT WILL HOLD A CONFERENCE CALL ON TUESDAY, FEBRUARY 21, 2006 AT 11:00 A.M. EASTERN TIME. TO PARTICIPATE, PLEASE DIAL 877-791-3416 – OR YOU CAN ACCESS THE CALL AT WWW.CCBN.COM.

Exhibit 99.2

SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – February 21, 2006 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that its Board of Directors approved a quarterly dividend of $0.12 per share payable in cash for shareholders of record on March 15, 2006. The dividend will be payable April 15, 2006.

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is one of the largest automotive retailers in the United States operating 177 franchises and 38 collision repair centers. 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, risks associated with acquisitions and the risk factors described in Exhibit 99.2 to the Company's Current Report on Form 8-K dated November 3, 2005. The Company does not undertake any obligation to update forward-looking information.

Exhibit 99.3

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

	For the Year Ended		Three Months Ended	
	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Revenues				
Retail new vehicles	**$4,498,010**	$4,093,679	**$1,131,473**	$1,079,859
Fleet vehicles	**319,707**	282,609	**68,913**	56,622
Total new vehicles	**4,817,717**	4,376,287	**1,200,386**	1,136,481
Used vehicles	**1,238,586**	1,141,431	**305,043**	287,574
Wholesale vehicles	**540,977**	481,873	**132,351**	118,453
Total vehicles	**6,597,280**	5,999,591	**1,637,780**	1,542,508
Parts, service and collision repair	**1,091,172**	994,263	**277,806**	257,831
Finance, insurance and other	**196,390**	183,728	**48,012**	45,000
Total revenues	**7,884,842**	7,177,582	**1,963,598**	1,845,339
Total gross profit	**1,211,258**	1,102,436	**307,483**	281,731
SG&A expenses	**939,177**	867,450	**234,577**	224,864
Depreciation	**21,297**	16,303	**8,211**	4,835
Operating income	**250,784**	218,683	**64,695**	52,032
Interest expense, floor plan	**40,209**	25,864	**11,743**	7,716
Interest expense, other	**46,448**	42,431	**11,945**	11,093
Other income	**54**	48	**33**	(14)
Income from continuing operations before taxes	**164,181**	150,436	**41,040**	33,209
Income taxes	**62,390**	57,152	**15,821**	13,929
Income from continuing operations	**101,791**	93,284	**25,219**	19,280
Discontinued operations:				
Loss from operations and the sale of discontinued franchises	**(13,439)**	(10,623)	**(4,317)**	(6,507)
Income tax benefit	**3,509**	3,410	**39**	1,840
Loss from discontinued operations	**(9,930)**	(7,213)	**(4,278)**	(4,667)
Net income	**$ 91,861**	$ 86,071	**$ 20,941**	$ 14,613
Diluted:				
Weighted average common shares outstanding	**45,533**	45,217	**45,578**	45,224
Earnings per share from continuing operations	**$ 2.33**	$ 2.16	**$ 0.58**	$ 0.45
Loss per share from discontinued operations	**$ (0.21)**	$ (0.16)	**$ (0.10)**	$ (0.10)
Earnings per share	**$ 2.12**	$ 2.00	**$ 0.48**	$ 0.35
Gross Margin Data:				
Retail new vehicles	**7.5%**	7.6%	**7.7%**	7.7%
Fleet vehicles	**3.0%**	2.8%	**3.4%**	3.0%
Total new vehicles	**7.2%**	7.3%	**7.5%**	7.5%
Used vehicles retail	**10.6%**	10.4%	**10.4%**	9.8%
Total vehicles retail	**7.9%**	7.9%	**8.1%**	7.9%
Parts, service and collision repair	**49.2%**	48.7%	**49.8%**	48.4%
Finance, insurance and other	**100.0%**	100.0%	**100.0%**	100.0%
Overall gross margin	**15.4%**	15.4%	**15.7%**	15.3%
SG&A Expenses:				
Personnel	**546,425**	505,695	**135,488**	129,929
Advertising	**64,721**	59,258	**15,881**	14,746
Facility rent	**92,620**	78,641	**24,713**	20,916
Other	**235,411**	223,856	**58,495**	59,273
Total	**939,177**	867,450	**234,577**	224,864
Unit Data:				
New retail units	**143,757**	134,567	**34,277**	34,040
Fleet units	**14,363**	12,420	**3,255**	2,458
Total new units	**158,120**	146,987	**37,532**	36,498
Used units	**68,392**	64,911	**16,389**	15,766
Total units retailed	**226,512**	211,898	**53,921**	52,264
Wholesale units	**61,244**	57,570	**14,580**	14,058
Average price per unit:				
New retail vehicles	**31,289**	30,421	**33,010**	31,723
Fleet vehicles	**22,259**	22,754	**21,171**	23,036

Total new vehicles	**30,469**	29,773	**31,983**	31,138
Used vehicles	**18,110**	17,585	**18,613**	18,240
Wholesale vehicles	**8,833**	8,370	**9,078**	8,426
Other Data:				
Floorplan assistance (continuing operations)	**$ 37,795**	$ 36,621	**$ 8,757**	$ 9,197
Same store revenue percentage changes:				
New retail	**4.4%**		**-0.5%**	
Fleet	**13.4%**		**20.3%**	
Total new	**5.0%**		**0.6%**	
Used	**3.9%**		**3.1%**	
Parts, service and collision repair	**3.1%**		**2.1%**	
Finance, insurance and other	**4.1%**		**4.4%**	
Total	**4.7%**		**1.5%**	

Consolidated Balance Sheet Data:

	12/31/2005	12/31/2004
ASSETS		
Current Assets:		
Cash	**$ 7,566**	$ 9,991
Receivables, net	**396,225**	357,403
Inventories	**1,016,457**	1,024,342
Assets held for sale	**73,837**	98,530
Construction in progress expected to be sold in sale-leaseback transactions	**95,131**	77,285
Other current assets	**27,484**	21,910
Total current assets	**1,616,700**	1,589,461
Property and Equipment, Net	**148,267**	134,490
Goodwill, Net	**1,122,538**	1,056,924
Other Intangibles, Net	**88,696**	84,777
Other Assets	**49,300**	33,877
TOTAL ASSETS	**$3,025,501**	$2,899,529
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable - floor plan - trade	**$ 579,022**	$ 609,422
Notes payable - floor plan - non-trade	**410,296**	375,127
Trade accounts payable	**91,101**	88,616
Accrued interest	**17,378**	15,421
Other accrued liabilities	**167,060**	175,511
Liabilities held for sale - trade	**41,675**	54,513
Liabilities held for sale - non-trade	**11,215**	11,796
Current maturities of long-term debt	**2,747**	2,970
Total current liabilities	**1,320,494**	1,333,376
LONG-TERM DEBT	**712,311**	668,826
OTHER LONG-TERM LIABILITIES	**29,479**	28,888
DEFERRED INCOME TAXES	**132,419**	98,752
STOCKHOLDERS' EQUITY		
Class A common stock	**403**	397
Class B common stock	**121**	121
Paid-in capital	**433,654**	441,503
Retained earnings	**542,374**	470,663
Accumulated other comprehensive income / (loss)	**20**	(1,228)
Deferred compensation related to restricted stock	**(1,829)**	(3,408)
Treasury stock, at cost	**(143,945)**	(138,361)
Total stockholders' equity	**830,798**	769,687
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$3,025,501**	$2,899,529
Balance Sheet Data:		
Current Ratio	**1.22**	1.19
Debt to Total Capital, Net of Cash	**46.0%**	46.2%
LTM Return on Stockholders' Equity	**11.4%**	11.7%