
**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): May 1, 2007

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 May 1, 2007, we issued a press release announcing results for our fiscal quarter ended March 31, 2007.

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 May 1, 2007, 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 May 1, 2007

99.2 Earnings call presentation materials

99.3 Press release of Sonic Automotive, Inc. dated May 1, 2007

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: May 1, 2007

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release of Sonic Automotive, Inc. dated May 1, 2007
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc. dated May 1, 2007

Sonic Automotive, Inc. Reports First Quarter Continuing Operations Earnings Up 10%

CHARLOTTE, N.C. – May 1, 2007 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today reported that its 2007 first quarter earnings from continuing operations were \$23.7 million, an increase of 10% from the \$21.5 million earned in the first quarter of 2006. Diluted earnings per share from continuing operations was \$0.52 for the quarter compared to \$0.49 a year ago.

Total revenue for the first quarter of 2007 increased 3.6% with same store revenue up 2.2% over the prior year quarter. On a same store basis compared to the same quarter last year, new vehicle retail revenues were up 2.3%, used vehicle retail revenues were up 5.1%, fixed operations revenue was up 5.4% and finance and insurance revenues were up 6.3%. Luxury and import brands represented 83% of total revenues for the quarter.

B. Scott Smith, the Company's President said, "Our results this quarter reflect the continued execution of our key operating initiatives. Our same store sales growth in the higher-margin segments of our business demonstrate the effectiveness of our used vehicle merchandising program and our electronic F&I menu rollout along with our core strength in the parts and service business. In addition to these revenue improvements, we continue to focus on our expense structure and ended the quarter with SG&A as a percentage of gross profit at 77.4%, or a 90 basis improvement, compared to the same quarter last year. We remain comfortable with our 2007 continuing operations EPS target of \$2.48 to \$2.58 per diluted share."

Presentation materials for the Company's May 1, 2007 earnings conference call 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 left 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 at 11:00 A.M. EST 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: 5333288, International callers dial (706) 645-9291.

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is one of the largest automotive retailers in the United States operating 175 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 diluted earnings per share from continuing operations. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risk and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions, risks associated with acquisitions and the risk factors described in the Company's annual report on Form 10-K for the year ended December 31, 2006. The Company does not undertake any obligation to update forward-looking information.

Sonic Automotive, Inc.**Results of Operations (Unaudited)**

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

	Three Months Ended	
	3/31/2007	3/31/2006
Revenues		
Retail new vehicles	\$1,075,551	\$1,037,301
Fleet vehicles	88,971	86,485
New vehicles	1,164,522	1,123,786
Used vehicles	331,032	310,208
Wholesale vehicles	115,156	132,476
Total vehicles	1,610,710	1,566,470
Parts, service and collision repair	294,852	273,728
Finance, insurance and other	48,846	45,879
Total revenues	1,954,408	1,886,077
Total gross profit	310,463	298,069
SG&A expenses	240,288	233,451
Depreciation	5,794	4,818
Operating income	64,381	59,800
Interest expense, floor plan	16,291	12,297
Interest expense, other	9,277	11,949
Other (expense) / income	6	(665)
Income from continuing operations before taxes	38,819	34,889
Income taxes	15,140	13,357
Income from continuing operations	23,679	21,532
Discontinued operations:		
Loss from operations and the sale of discontinued franchises	(5,269)	(7,171)
Income tax benefit	1,581	2,721
Loss from discontinued operations	(3,688)	(4,450)
Net income	\$ 19,991	\$ 17,082
Diluted:		
Weighted average common shares outstanding	47,938	46,205
Earnings per share from continuing operations	\$0.52	\$0.49
Loss per share from discontinued operations	(\$0.08)	(\$0.10)
Earnings per share	\$0.44	\$0.39

Gross Margin Data (Continuing Operations):

Retail new vehicles	7.3%	7.6%
Fleet vehicles	2.2%	3.2%
Total new vehicles	7.0%	7.3%
Used vehicles	10.3%	10.8%
Total vehicles	7.2%	7.4%
Parts, service and collision repair	49.6%	49.7%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	15.9%	15.8%

SG&A Expenses (Continuing Operations):

Personnel	\$ 136,105	\$ 136,785
Advertising	15,566	14,491
Facility rent	26,059	23,712
Other	62,558	58,463
Total	\$ 240,288	\$ 233,451

Unit Data (Continuing Operations):

New retail units	32,143	31,700
Fleet units	3,745	3,944
New units	35,888	35,644
Used units	17,008	16,144
Total units retailed	52,896	51,788
Wholesale units	12,861	13,377
Average price per unit:		
New retail vehicles	33,461	32,722
Fleet vehicles	23,757	21,928
Total new vehicles	32,449	31,528
Used vehicles	19,463	19,215
Wholesale vehicles	8,954	9,903

Other Data:

Same store revenue percentage changes:		
New retail	2.3%	
Fleet	0.4%	
New total	2.1%	
Used	5.1%	
Parts, service and collision repair	5.4%	
Finance, insurance and other	6.3%	
Total	2.2%	

Balance Sheet Data:

	3/31/2007 (1)	12/31/2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 14,001	\$ 12,696
Receivables, net	334,097	385,849
Inventories	1,069,693	991,984
Assets held for sale	152,340	160,571
Construction in progress and land expected to be sold in sale-leaseback transactions	32,294	26,198
Other current assets	41,825	35,834
Total current assets	1,644,250	1,613,132
Property and Equipment, Net	230,639	220,551
Goodwill, Net	1,162,562	1,155,428
Other Intangibles, Net	97,770	94,136
Other Assets	44,774	41,517
TOTAL ASSETS	<u>\$3,179,995</u>	<u>\$3,124,764</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Floor plan notes payable - trade	\$ 245,163	\$ 377,943
Floor plan notes payable - non-trade	852,085	686,515
Trade accounts payable	71,063	68,016
Accrued interest	15,980	19,336
Other accrued liabilities (1)	181,476	180,884
Liabilities associated with assets held for sale - trade	55,309	54,229
Liabilities associated with assets held for sale - non-trade	38,908	42,063
Current maturities of long-term debt	2,696	2,707
Total current liabilities	1,462,680	1,431,693
LONG-TERM DEBT	601,272	598,627
OTHER LONG-TERM LIABILITIES (1)	38,548	39,570
DEFERRED INCOME TAXES	149,918	151,034
STOCKHOLDERS' EQUITY (1)	927,577	903,840
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$3,179,995</u>	<u>\$3,124,764</u>
Balance Sheet Ratios:		
Current Ratio (1)	1.12	1.13
Debt to Total Capital, Net of Cash (1)	38.9%	39.4%

(1) - Excludes the impact of the adoption of FIN 48



Cautionary Notice Regarding 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 results 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 ended December 31, 2006.



Sonic Automotive

First Quarter 2007

Earnings Review

May 1, 2007



The Quarter in Review

- **Earnings from Continuing Operations up 10.0%**
- **Fixed Operations, Used Vehicles and F&I driving top line and profit improvements**
- **SG&A as a percent of gross profit improved 90 basis points to 77.4%**
- **Operating margin improved 10bps to 3.3%.**

Strategy in Motion

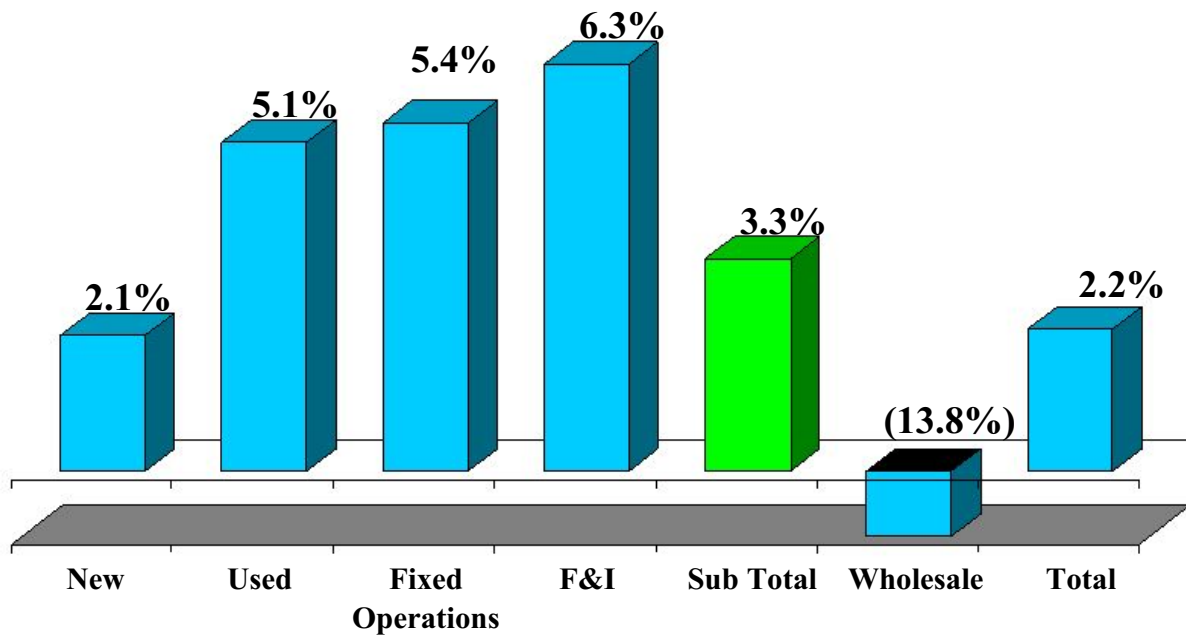
- **Used Vehicle (Champion) process**
- **Standard F&I menu**
- **Fixed Operations**
- **Single DMS**
- **Digital Marketing**
- **Growth through prudent acquisitions**
- **ASI + CSI + MSI = ROI**

Financial Performance

(amounts in millions, except per share data)

	Q1		Better/ (Worse)	
	2007	2006		
Revenue	\$1,954	\$1,886	\$68	Up 3.6%
Gross Profit	\$310	\$298	\$12	Up 4.2%
Operating Profit				
– Amount	\$64	\$60	\$4	Up 7.7%
– Margin	3.3%	3.2%		
Net Income				
– Continuing Operations	\$23.7	\$21.5	\$2.2	Up 10.0%
– Total Operations	20.0	17.1	2.9	
EPS				
– Continuing Operations	\$0.52	\$0.49	\$0.03	
– Total Operations	0.44	0.39	0.05	

Same Store Revenue Growth



- Solid performance across all business segments
- Used and F&I processes driving improved performance in both areas
- Service Capacity investment contributing to growth

Used Vehicles

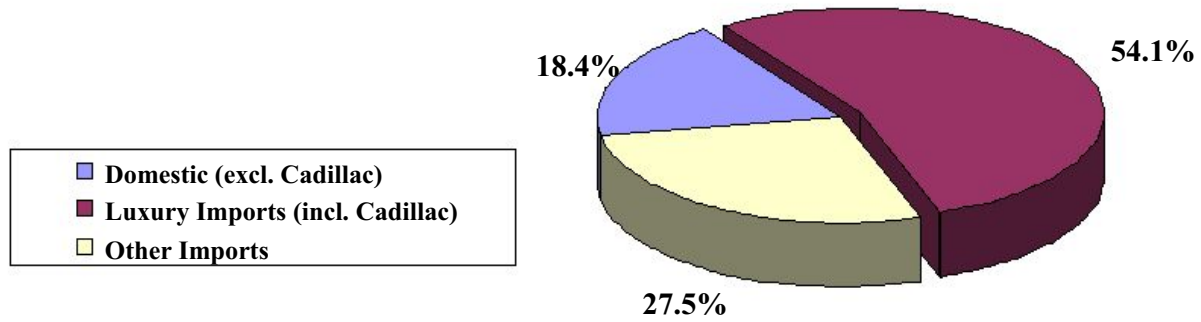
Process in Motion

	<u>Q1 07</u>	<u>Q1 06</u>	<u>Change</u>
<i>Champion Stores</i>			
Used to new ratio	0.53	0.49	0.04
Used retail volume	12,405	11,355	9.2%
<i>Total Sonic</i>			
Used to new ratio	0.53	0.51	0.02
Used retail volume	17,008	16,144	5.4%
<i>Memo:</i>			
Used to New Ratio			
California	0.33	0.32	0.01
Total Luxury	0.56	0.50	0.06



Used Vehicles

Brand Mix - Used Revenue

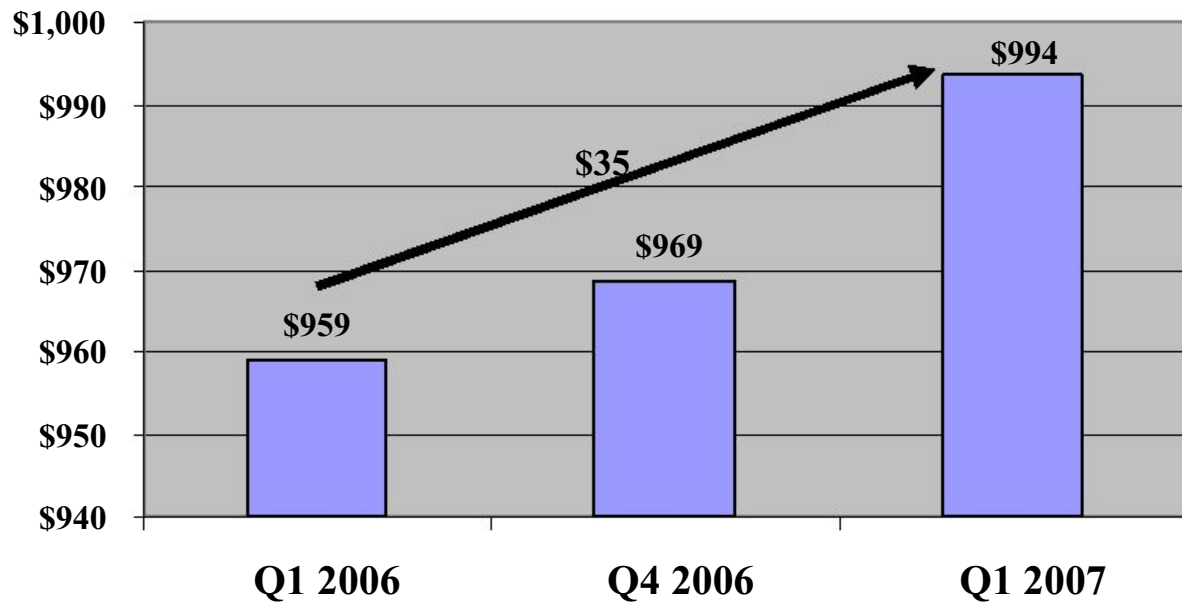


	<u>Margin</u>	<u>Gross Per Unit</u>
<i>Domestic (excl. Cadillac)</i>	11.9%	\$1,846
<i>Luxury Imports (incl. Cadillac)</i>	8.6%	\$2,311
<i>Other Imports</i>	12.5%	\$1,772
Total	10.3%	\$1,995

F&I

Process in Motion

F&I Per Unit



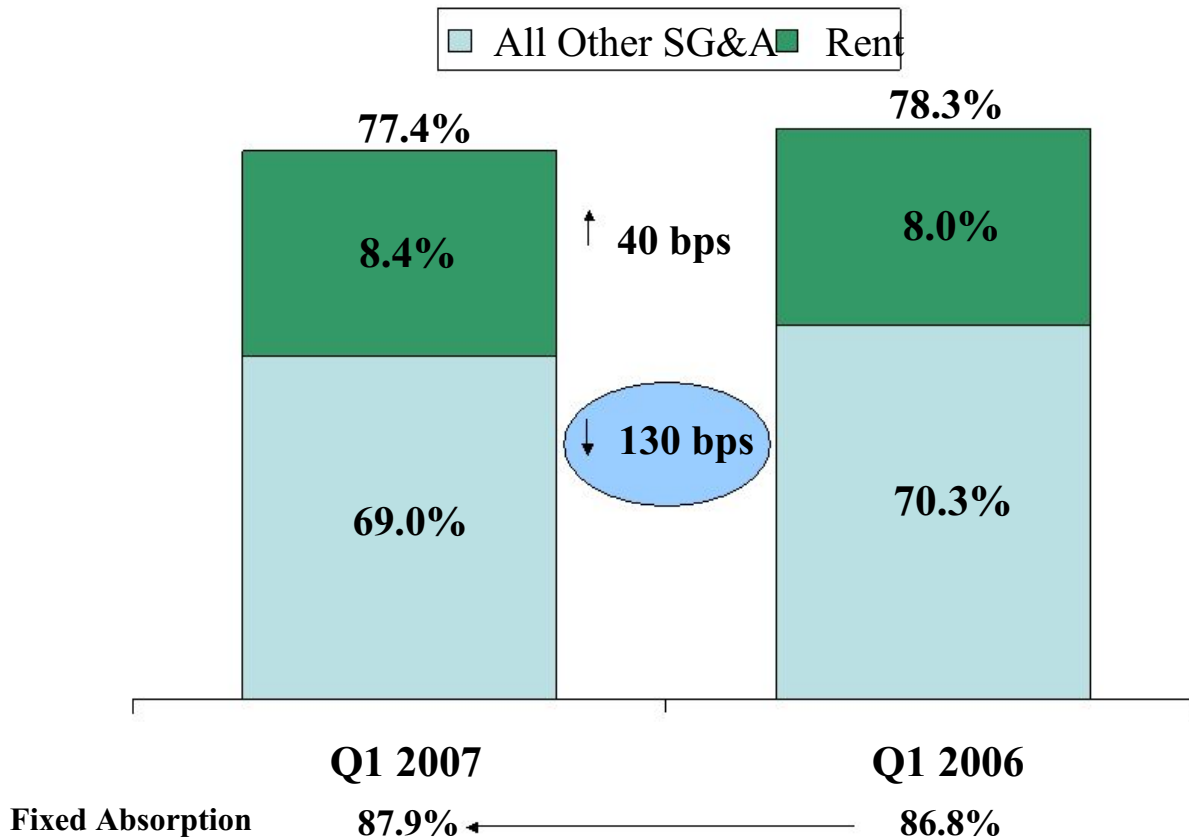
Fixed Operations

Process in Motion

- **Revenue from Fixed Operations reached a sector leading 15.1% of Total Revenue in Q1.**
- **Total Customer Pay revenue grew over 11%; Gross Profit increased nearly 12%.**
- **A total of 102 incremental stalls were added in 2006; 138 more are planned for 2007.**

Spend money where you make money

SG&A Expenses as % of Gross Profit

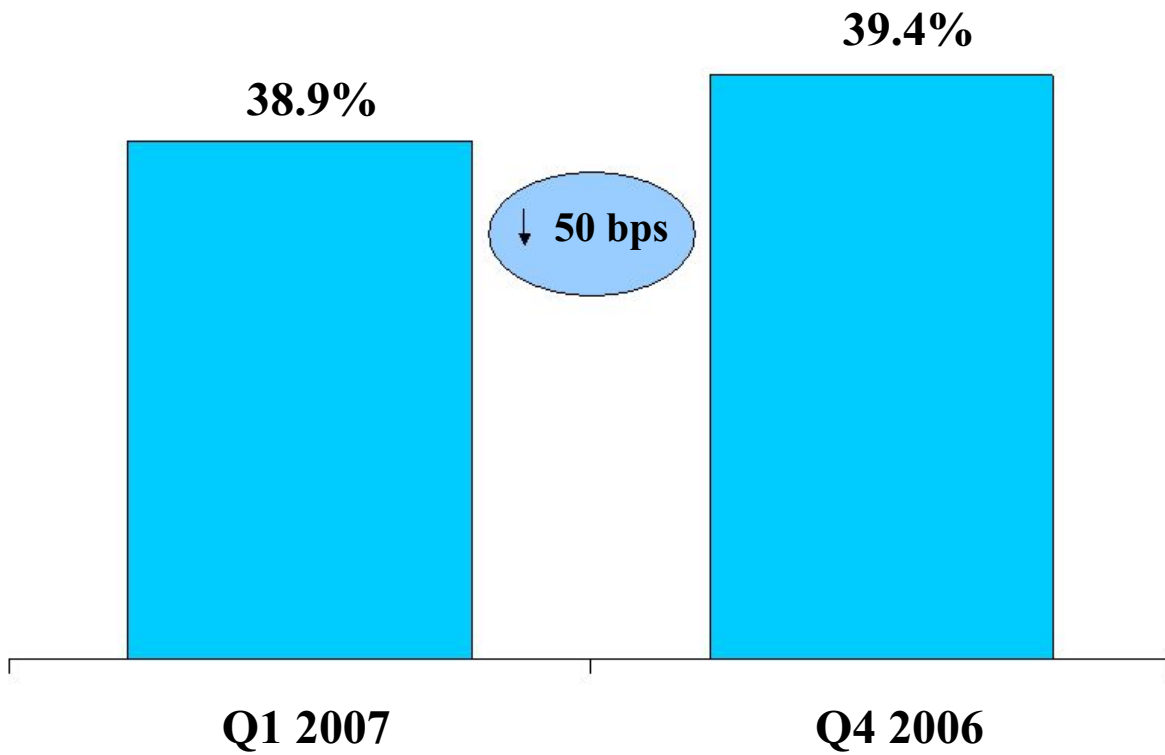


Inventory Management

Days Supply

	<u>Mar-07</u>	<u>Mar-06</u>	<u>Industry</u>
New Vehicles			
Domestic (excluding Cadillac)	61	61	80
Luxury (including Cadillac)	49	48	53
Other Imports	53	48	51
Overall	54	53	67
Used Vehicles	37	40	
Parts	34	35	

Debt to Capital Ratio*



*Net of cash and excludes impact of FIN 48

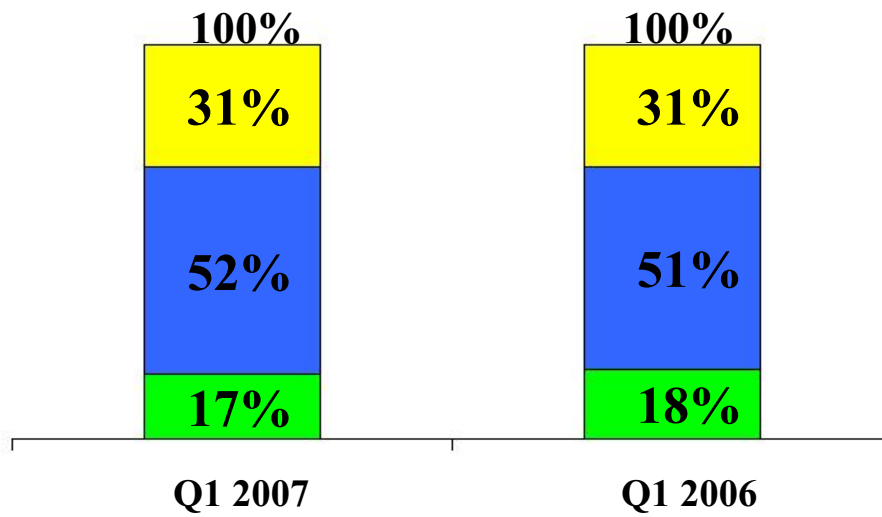
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Portfolio Enrichment

Percent of Total Revenue

■ Domestic ■ Luxury ■ Other Imports



Luxury and Import at 83%

Summary

- **Execution of key initiatives continues**
 - Used vehicles, fixed operations, and F&I
- **Executing disciplined and prudent acquisition strategy – targeting 10%-15% of revenue**
- **Strategy is sound; team focused on delivering results**
- **Top priority: Improved profits and cash flow**

Re-affirming Full Year Guidance

\$2.48 - \$2.58



SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – May 1, 2007 – 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 June 15, 2007. The dividend will be payable July 15, 2007.

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is one of the largest automotive retailers in the United States operating 175 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 risks and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions, risks associated with acquisitions and the risk factors described in the Company's annual report on Form 10-K for the year ended December 31, 2006. The Company does not undertake any obligation to update forward-looking information.