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

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**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): July 31, 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 July 31, 2007, we issued a press release announcing results for our fiscal quarter and six month period ended June 30, 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 July 31, 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 July 31, 2007

99.2 Earnings call presentation materials

99.3 Press release of Sonic Automotive, Inc. dated July 31, 2007

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**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: July 31, 2007

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INDEX TO EXHIBITS

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<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated July 31, 2007
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc. dated July 31, 2007

***Sonic Automotive, Inc. Continues Strong Operating Trend in Second Quarter and Raises  
Full Year Earnings Guidance***

CHARLOTTE, N.C. – July 31, 2007 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that second quarter 2007 earnings from continuing operations were \$30.0 million, or \$0.65 per diluted share, compared to \$17.8 million, or \$0.41 per diluted share\*, in the prior year period.

“Our performance continues to validate the effectiveness of our key operating initiatives,” said President and Chief Strategic Officer B. Scott Smith. “Our gross margin rate increased to 15.6% as a result of continuing growth in our higher-margin used vehicle, fixed operations and F&I departments. In addition to these revenue-oriented initiatives, we continue to see consistent reductions in our SG&A expenses as a percentage of gross profit. As a result of our strong performance over the first half of the year and our outlook for a stable operating environment over the second half, we are increasing our target for 2007 earnings per share from continuing operations to a range of \$2.50 to \$2.60. This does not include the impact of any unannounced acquisitions.”

Sonic’s Board of Directors has authorized an additional \$30 million to be used in the Company’s ongoing share repurchase program. Scott Smith said, “Sonic Automotive has maintained an active share repurchase program for a number of years as a means of offsetting dilution in the Company’s stock, returning capital to shareholders and taking advantage of short-term volatility in the Company’s share price. We will continue to execute this program in conjunction with our stated objectives for managing the Company’s capital structure.”

Presentation materials for the Company’s earnings conference call at 11:00 A.M. (Eastern) on July 31, 2007 can be accessed on the Company’s website at [www.sonicautomotive.com](http://www.sonicautomotive.com) by clicking on the “For Investors” tab and choosing “Webcasts & Presentations” on the left side of the screen.

To access the live broadcast of the conference call over the Internet go to: [www.sonicautomotive.com](http://www.sonicautomotive.com).

A live audio of the conference 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 (domestic) or (706) 645-9291 (international), conference call ID #6967100.

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\* During the second quarter of 2006, the Company recorded pretax charges of \$27.6 million between continuing and discontinued operations related primarily to certain decisions made to improve the strategic focus of the Company.

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 173 franchises and 37 collision repair centers. Sonic can be reached on the Web at [www.sonicautomotive.com](http://www.sonicautomotive.com).

Included herein are forward-looking statements, including statements with respect to anticipated SG&A expense reductions, anticipated earnings per share from continuing operations, anticipated future operating environment for the remainder of 2007 and potential future share repurchases. There are many factors that affect management’s views about future events and trends of the Company’s business. These factors involve risk and uncertainties that could cause actual results or trends to differ materially from management’s view, including without limitation, economic conditions, risks associated with acquisitions and the risk factors described in the Company’s quarterly report on Form 10-Q for the quarter ended March 31, 2007. 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)

	Second Quarter Ended		Six Months Ended	
	6/30/2007	6/30/2006	6/30/2007	6/30/2006
<b>Revenues</b>				
New retail vehicles	\$1,172,400	\$1,173,471	\$2,244,611	\$2,210,772
Fleet vehicles	100,784	97,146	189,755	183,631
Used vehicles	364,062	346,424	694,297	656,632
Wholesale vehicles	107,828	131,250	222,619	263,725
Total vehicles	1,745,074	1,748,291	3,351,282	3,314,760
Parts, service and collision repair	290,916	280,100	584,819	553,828
Finance, insurance and other	54,360	45,502	103,118	91,381
Total revenues	2,090,350	2,073,893	4,039,219	3,959,969
Total gross profit	325,233	311,755	633,026	607,120
SG&A expenses	241,244	248,771	479,236	481,366
Depreciation	8,626	6,806	14,389	11,604
Operating income	75,363	56,178	139,401	114,150
Interest expense, floor plan	17,348	15,832	33,586	28,130
Interest expense, other	8,912	9,909	17,606	20,706
Other (expense) / income	86	(3)	96	(665)
Income from continuing operations before taxes	49,189	30,434	88,305	64,649
Income taxes	19,210	12,586	34,439	25,666
Income from continuing operations	29,979	17,848	53,866	38,983
Discontinued operations:				
Loss from operations and the sale of discontinued franchises	(5,159)	(8,780)	(10,725)	(15,277)
Income tax benefit	1,548	3,120	3,218	5,564
Loss from discontinued operations	(3,611)	(5,660)	(7,507)	(9,713)
Net income	\$ 26,368	\$ 12,188	\$ 46,359	\$ 29,270
Diluted:				
Weighted average common shares outstanding	47,987	46,270	47,963	46,238
Earnings per share from continuing operations	\$ 0.65	\$ 0.41	\$ 1.17	\$ 0.89
Loss per share from discontinued operations	\$ (0.08)	\$ (0.12)	\$ (0.16)	\$ (0.21)
Earnings per share	\$ 0.57	\$ 0.29	\$ 1.01	\$ 0.68
<b>Gross Margin Data (Continuing Operations):</b>				
Retail new vehicles	7.3%	7.8%	7.3%	7.7%
Fleet vehicles	2.6%	2.5%	2.4%	2.8%
Total new vehicles	6.9%	7.4%	6.9%	7.3%
Used vehicles	9.3%	9.8%	9.5%	9.9%
Parts, service and collision repair	51.4%	50.1%	50.5%	49.9%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	15.6%	15.0%	15.7%	15.3%
<b>SG&amp;A Expenses (Continuing Operations):</b>				
Personnel	\$ 139,910	\$ 140,299	\$ 274,668	\$ 276,055
Advertising	16,706	16,599	32,204	31,090
Facility rent	25,694	25,487	51,421	49,157
Other	58,934	66,386	120,943	125,064
Total	\$ 241,244	\$ 248,771	\$ 479,236	\$ 481,366
<b>Unit Data (Continuing Operations):</b>				
New retail units	35,454	37,223	67,465	68,923
Fleet units	4,667	4,470	8,412	8,414
Used units	18,186	17,866	35,147	34,010
Wholesale units	11,807	13,932	24,626	27,309
Average price per unit:				
New retail vehicles	33,068	31,525	33,271	32,076
Fleet vehicles	21,595	21,733	22,558	21,824
Used vehicles	20,019	19,390	19,754	19,307
Wholesale vehicles	9,133	9,421	9,040	9,657
<b>Other Data:</b>				
Floorplan assistance (continuing operations)	\$ 9,178	\$ 9,803	\$ 17,901	\$ 18,118
Same store revenue percentage changes:				
New retail	(1.6%)		0.2%	
Fleet	3.2%		1.9%	
Used	3.4%		4.2%	
Parts, service and collision repair	1.8%		3.5%	
Finance, insurance and other	17.4%		11.9%	
Total	(0.6%)		0.7%	

**Balance Sheet Data:**

	6/30/2007	12/31/2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 12,157	\$ 12,696
Receivables, net	318,827	385,849
Inventories	1,109,214	991,984
Assets held for sale	176,536	160,571
Construction in progress expected to be sold in sale-leaseback transactions	4,516	26,198
Other current assets	31,474	35,834

Total current assets	<b>1,652,724</b>	1,613,132
Property and Equipment, Net	<b>270,036</b>	220,551
Goodwill, Net	<b>1,247,721</b>	1,155,428
Other Intangibles, Net	<b>102,299</b>	94,136
Other Assets	<b>36,312</b>	41,517
<b>TOTAL ASSETS</b>	<b><u>\$3,309,092</u></b>	<b><u>\$3,124,764</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Floor plan notes payable - trade	<b>\$ 257,765</b>	\$ 377,943
Floor plan notes payable - non-trade	<b>875,832</b>	686,515
Trade accounts payable	<b>68,048</b>	68,016
Accrued interest	<b>18,281</b>	19,336
Other accrued liabilities	<b>181,098</b>	180,884
Liabilities associated with assets held for sale - trade	<b>48,338</b>	54,229
Liabilities associated with assets held for sale - non-trade	<b>36,325</b>	42,063
Current maturities of long-term debt	<b>3,224</b>	2,707
Total current liabilities	<b>1,488,911</b>	1,431,693
LONG-TERM DEBT	<b>672,196</b>	598,627
OTHER LONG-TERM LIABILITIES	<b>200,562</b>	190,604
STOCKHOLDERS' EQUITY	<b>947,423</b>	903,840
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$3,309,092</u></b>	<b><u>\$3,124,764</u></b>
<b>Balance Sheet Ratios:</b>		
Current Ratio	<b>1.11</b>	1.13
Debt to Total Capital, Net of Cash	<b>41.2%</b>	39.4%





# 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-Q for the quarter ended March 31, 2007.



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**Sonic Automotive**

**Second Quarter 2007**

**Earnings Review**

**July 31, 2007**



## **The Second Quarter in Review**

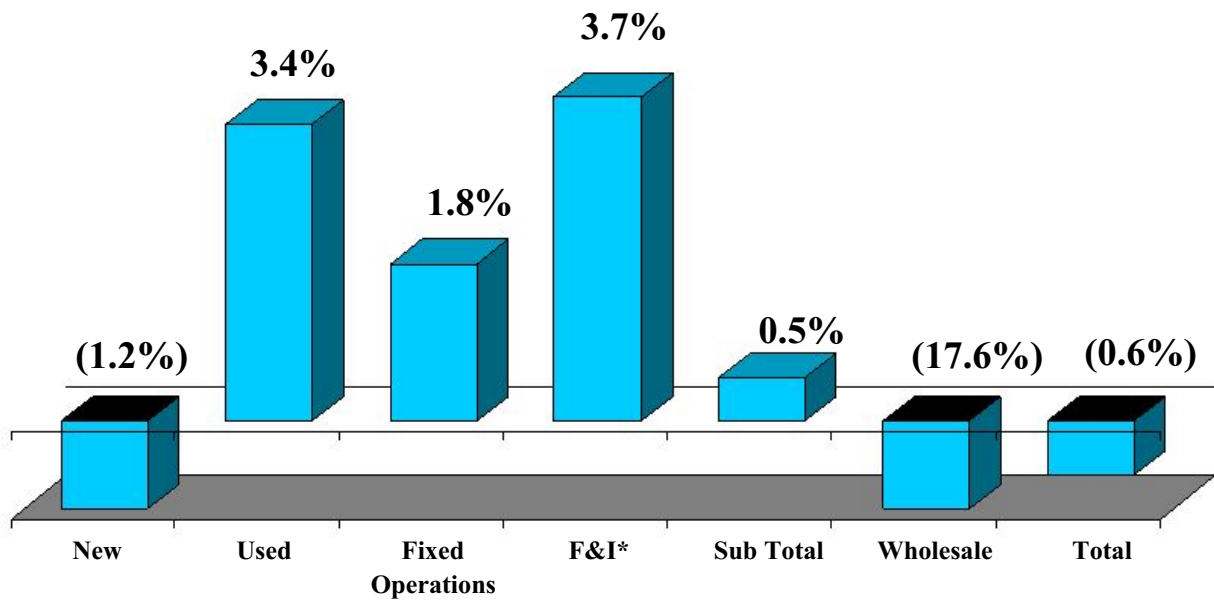
- **Gross margin at 15.6% and operating margin at 3.6%**
- **Used vehicle process and F&I menu continue to produce sound results**
- **SG&A as a percent of gross was 74.2% for the quarter -- a 30 bps improvement from a year ago**
- **Two large luxury stores acquired in the quarter; one more to close today**

# Financial Performance

(amounts in millions, except per share data)

	Q2		Better/ (Worse)
	2007	2006	
<b>Revenue</b>	\$2,090	\$2,074	\$16
<b>Gross Profit</b>	\$325	\$312	\$13
<b>Operating Profit</b>			
– Amount	\$75	\$56	\$19
– Margin	3.6%	2.7%	
<b>Net Income</b>			
– Continuing Operations	\$30.0	\$17.8	\$12.2
– Total Operations	26.4	12.2	14.2
<b>EPS</b>			
– Continuing Operations	\$0.65	\$0.41	\$0.24
– Total Operations	0.57	0.29	0.28

# Same Store Revenue Growth



- **Used and F&I processes driving improved performance in both areas**
- **Service Capacity investment contributing to growth**
- **As more used vehicles are retailed, wholesale volume is declining**

\* Excludes impact of charges taken in Q2 2006.

# Used Vehicles

	Q2 07	Q2 06	Better/ (Worse)
<b><i>Champion Stores</i></b>			
Used to new ratio	0.52	0.48	0.04
Used retail volume	15,846	15,430	2.7%
<b><i>Total Sonic</i></b>			
Used to new ratio	0.51	0.48	0.03
Used retail volume	18,186	17,866	1.8%
<b><i>Memo:</i></b>			
Used to New Ratio			
- California	0.35	0.32	0.03
- Total Luxury	0.56	0.53	0.03
- Total Domestic	0.74	0.72	0.02



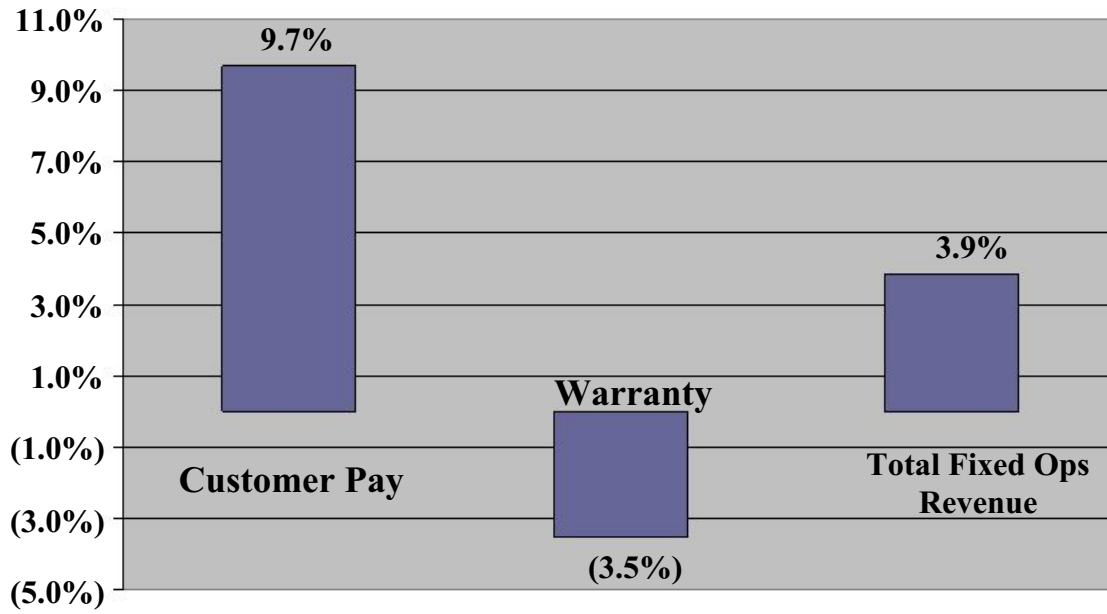
# F&I

## F&I Per Unit



\* excluding charges taken in Q2 2006

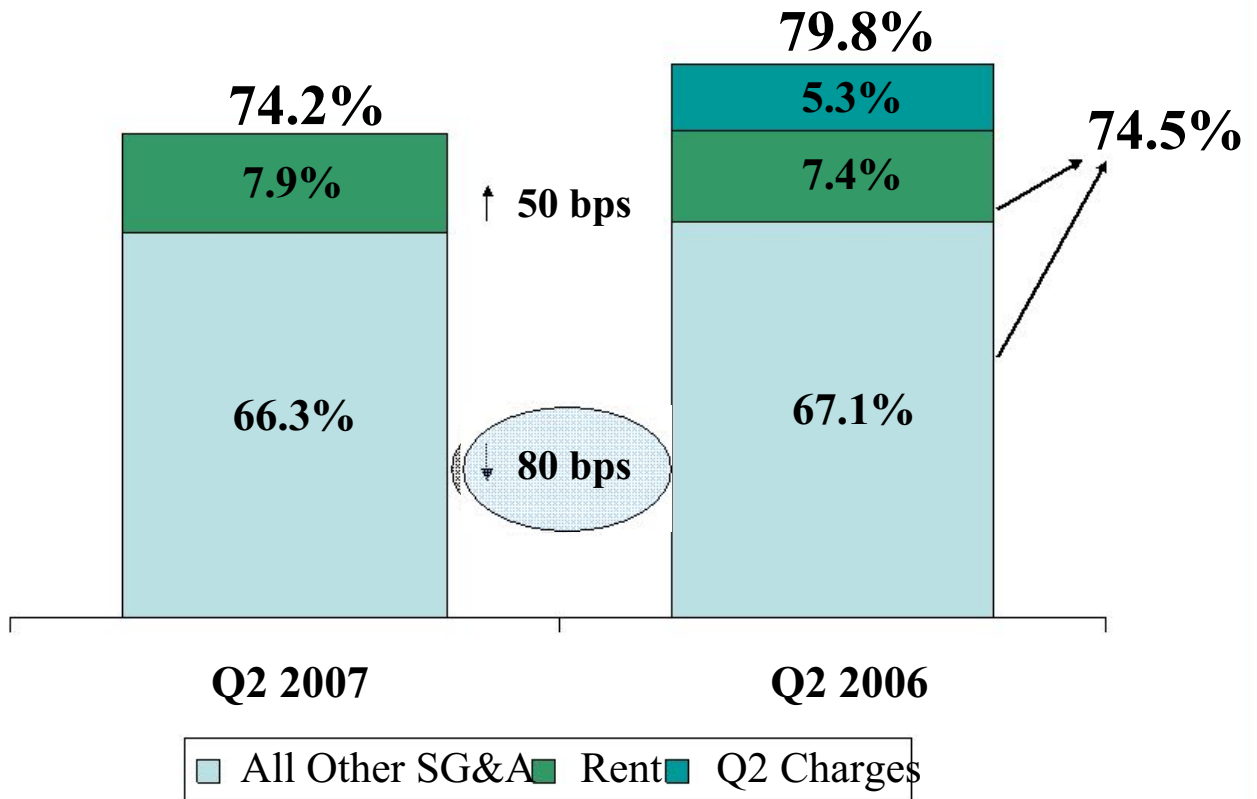
# Fixed Operations



Strong Customer Pay performance driving growth



# SG&A Expenses as % of Gross Profit



Fixed Absorption

91%

91%



# Geographic / Brand Review

- **California**
  - 27% of total revenues
  - New vehicle volume and margins soft; used vehicle volume, Fixed Operations, and F&I up
  - Brand mix 39% Mid Line Imports
- **Florida**
  - 8% of total revenues
  - Construction at our Toyota dealership hindering business
  - New volume a bit challenged; used vehicle volume, Fixed Operations, and F&I up
- **Brand Commentary**
  - BMW and Lexus – combined 24% of total revenue
    - New volume and Fixed Operations strong
  - Honda - 14% of total revenues
    - Honda industry volume in California was off 5% for Q2 compared with an increase of 2.3% for the nation
    - Fixed Operations, F&I, and used vehicle growth good
  - Cadillac - 9% of total revenues
    - Sales soft in general; Michigan is particularly a concern

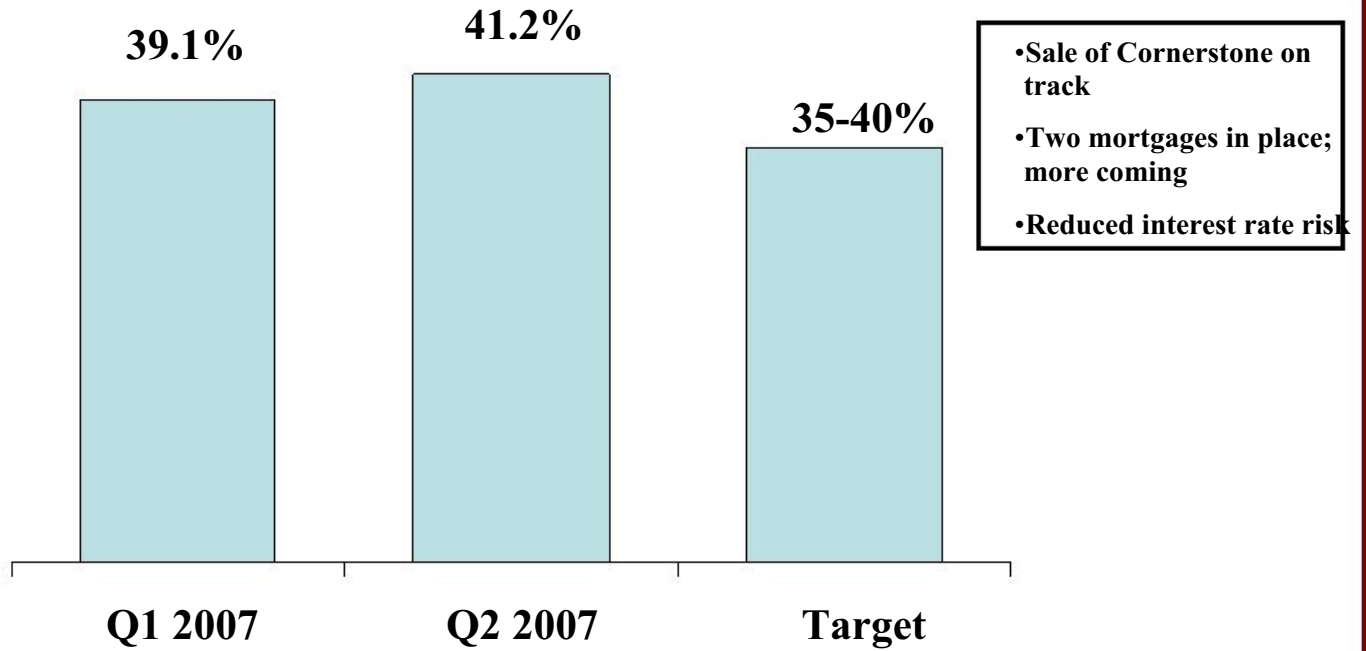
# Inventory Management

## Days Supply

	<u>Jun-07</u>	<u>June Industry</u>
<b>New Vehicles</b>		
<b>Domestic</b> (excluding Cadillac)	<b>54.6</b>	<b>76.0</b>
<b>Luxury</b> (including Cadillac)	<b>45.4</b>	<b>45.5</b>
<b>Import</b>	<b>49.0</b>	<b>49.5</b>
<b>Overall</b>	<b>49.7</b>	<b>62.2</b>
 <b>Used Vehicles</b>	 <b>38.3</b>	

# Debt to Capital Ratio<sup>(1)</sup>

Two large luxury stores acquired in late Q2



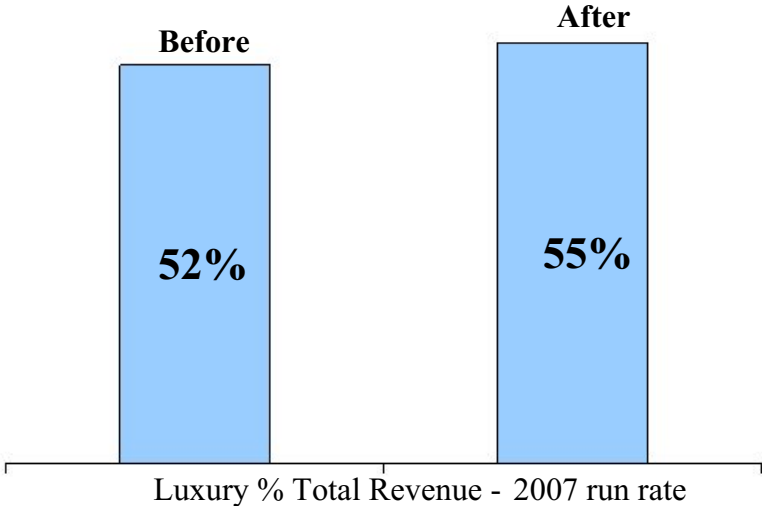
(1) – Net of Cash

# Portfolio Enrichment

## Acquisitions

Land Rover/Jaguar North Houston	Closed January 22
Mercedes-Benz of Calabasas	Closed June 14
Assael BMW and MINI	Closed June 18
Long Beach BMW and MINI	Closing July 31

**Total Annual Revenues: \$528 million**



## Second Half Outlook

- **Generally stable operating environment**
  - Near term new vehicle softness offset by other opportunities
  - Stable margins and expense levels
  - Some early Q3 softness -- expect Q4 results to be stronger
- **Raising Continuing Ops. EPS target to \$2.50 – \$2.60**
  - Includes impact of announced acquisitions
  - Continued execution of key initiatives and expense control
- **Increased share repurchase authorization by \$30 million**
  - Prudent and opportunistic purchases -- picking away at dilution
  - \$7 million repurchased so far this year

## Summary

- **Execution of key initiatives continues**
  - **Used vehicles, fixed operations, F&I, Portfolio Enrichment, and eCommerce**
- **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**

**Full Year Guidance Increased to  
\$2.50 - \$2.60**





***SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND***

**CHARLOTTE, N.C.** – July 31, 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 September 15, 2007. The dividend will be payable October 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 173 franchises and 37 collision repair centers. Sonic can be reached on the Web at [www.sonicautomotive.com](http://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 quarterly report on Form 10-Q for the quarter ended March 31, 2007. The Company does not undertake any obligation to update forward-looking information.