

**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 26, 2008

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 26, 2008, we issued a press release announcing results for our fiscal quarter and fiscal year ended December 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 February 26, 2008, 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 26, 2008

99.2 Earnings call presentation materials

99.3 Press release of Sonic Automotive, Inc. dated February 26, 2008

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 26, 2008

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated February 26, 2008
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc. dated February 26, 2008

***Sonic Automotive, Inc. Continues Earnings Improvement Trend With Strong Fourth
Quarter Results***

CHARLOTTE, N.C. – February 26, 2008 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that fourth quarter 2007 earnings from continuing operations were \$29.4 million, or \$0.68 per diluted share, compared to \$28.9 million, or \$0.64 per diluted share, in the prior year period.

“Our key operating initiatives continue to drive our results even in a challenging new vehicle sales environment,” said President and Chief Strategic Officer, B. Scott Smith. “Continued implementation of our used vehicle merchandising strategy drove same store used vehicle revenue up 19.3% compared to the fourth quarter of last year. Our brand and geographic diversity along with our initiatives in the higher margin segments of our business continue to provide us with the flexibility to respond to changing market conditions.”

Commenting on 2008, Mr. Smith said, “We expect to see continued softness in new vehicle sales during 2008 which will be largely offset by growth in our used vehicle and parts and service revenue. In addition, as part of our ongoing portfolio enrichment and capital allocation strategies, we are considering changes to our group of stores held for sale, including the potential sale of a number of profitable, well-managed stores that no longer fit our business model or which require capital expenditures that do not make sense for us. This change, when enacted, will reduce earnings from continuing operations in 2008 by approximately \$0.09 as some profitable stores may now be included in our discontinued operations group. This potential impact has been included in our 2008 earnings per share from continuing operations target of \$2.35 – \$2.50. A full update on our business and our 2008 earnings target will be provided on our scheduled conference call.”

Presentation materials for the Company’s earnings conference call at 11:00 A.M. (Eastern) on February 26, 2008 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 screen.

To access the live broadcast of the conference call over the Internet go to: 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 # 35931851.

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 169 franchises and 34 collision repair centers. Sonic can be reached on the Web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to anticipated benefits of our operating strategy, new vehicle market conditions, used vehicle revenue growth, parts and service revenue growth, dealership disposition activity and 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 quarterly report on Form 10-Q for the quarter ended September 30, 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)

	Three Months Ended		Twelve Months Ended	
	12/31/2007	12/31/2006	12/31/2007	12/31/2006
Revenues				
New retail vehicles	\$1,193,897	\$1,154,984	\$4,676,256	\$4,551,768
Fleet vehicles	90,863	74,277	380,224	346,739
Used vehicles	376,537	301,005	1,449,537	1,281,887
Wholesale vehicles	96,729	105,327	428,129	496,531
Total vehicles	1,758,026	1,635,593	6,934,146	6,676,925
Parts, service and collision repair	301,678	280,210	1,191,347	1,118,366
Finance, insurance and other	53,560	47,457	211,440	189,788
Total revenues	2,113,264	1,963,260	8,336,933	7,985,079
Total gross profit	322,378	305,055	1,291,585	1,228,291
SG&A expenses	237,957	224,773	967,706	942,890
Depreciation	7,160	5,985	27,306	23,248
Operating income	77,261	74,297	296,573	262,153
Interest expense, floor plan	16,710	15,898	67,638	59,580
Interest expense, other	11,366	9,027	39,795	39,662
Other (expense) / income	(21)	57	73	(589)
Income from continuing operations before taxes	49,164	49,429	189,213	162,322
Income taxes	19,758	20,513	74,377	65,490
Income from continuing operations	29,406	28,916	114,836	96,832
Discontinued operations:				
Loss from operations and the sale of discontinued franchises	(8,065)	(7,254)	(26,585)	(23,054)
Income tax benefit	1,695	1,577	7,251	7,339
Loss from discontinued operations	(6,370)	(5,677)	(19,334)	(15,715)
Net income	\$ 23,036	\$ 23,239	\$ 95,502	\$ 81,117
Diluted:				
Weighted average common shares outstanding	44,894	46,902	46,941	46,265
Earnings per share from continuing operations	\$ 0.68	\$ 0.64	\$ 2.54	\$ 2.18
Loss per share from discontinued operations	\$ (0.14)	\$ (0.12)	\$ (0.41)	\$ (0.33)
Earnings per share	\$ 0.54	\$ 0.52	\$ 2.13	\$ 1.85

Gross Margin Data (Continuing Operations):

Retail new vehicles	7.2%	7.6%	7.3%	7.7%
Fleet vehicles	2.1%	2.1%	2.1%	2.6%
Total new vehicles	6.8%	7.3%	6.9%	7.3%
Used vehicles retail	8.2%	9.1%	9.0%	9.6%
Total vehicles retail	7.2%	7.7%	7.4%	7.8%
Wholesale vehicles	(1.8)%	(1.0)%	(0.7)%	(0.6)%
Parts, service and collision repair	50.3%	50.5%	50.5%	50.1%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	15.3%	15.5%	15.5%	15.4%

SG&A Expenses (Continuing Operations):

Personnel	\$ 131,530	\$ 128,505	\$ 545,562	\$ 540,134
Advertising	18,054	15,990	67,979	63,566
Facility rent	26,599	24,413	104,438	98,867
Other	61,774	55,865	249,727	240,323
Total	\$ 237,957	\$ 224,773	\$ 967,706	\$ 942,890

SG&A Expenses as % of Gross Profit

Personnel	40.8%	42.1%	42.2%	44.0%
Advertising	5.6%	5.2%	5.3%	5.2%
Facility rent	8.3%	8.0%	8.1%	8.0%
Other	19.2%	18.2%	19.3%	19.5%
Total	73.8%	73.7%	74.9%	76.8%

Operating Margin %	3.7%	3.8%	3.6%	3.3%
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	Three Months Ended		Twelve Months Ended	
	12/31/2007	12/31/2006	12/31/2007	12/31/2006
Unit Data (Continuing Operations):				
New retail units	34,054	33,633	138,371	139,903
Fleet units	3,509	3,264	16,233	15,652
Used units	18,103	15,446	72,143	66,727
Wholesale units	10,851	12,070	47,545	53,758
Average price per unit:				
New retail vehicles	\$ 35,059	\$ 34,341	\$ 33,795	\$ 32,535
Fleet vehicles	25,894	22,756	23,423	22,153
Used vehicles	20,800	19,488	20,093	19,211
Wholesale vehicles	8,914	8,726	9,005	9,236
Other Data:				
Same store revenue percentage changes:				
New retail	(3.0)%		(1.1)%	
Fleet	3.8%		4.9%	
Total New Vehicles	(2.6)%		(0.7)%	
Used	19.3%		9.8%	
Parts, service and collision repair	2.3%		3.0%	
Finance, insurance and other	8.9%		9.1%	
Total	1.3%		0.9%	
Balance Sheet Data:				
	12/31/2007	12/31/2006		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 16,514	\$ 12,696		
Receivables, net	347,309	385,849		
Inventories	1,093,017	991,984		
Assets held for sale	87,342	160,571		
Construction in progress expected to be sold	6,421	26,198		
Other current assets	29,458	35,834		
Total current assets	1,580,061	1,613,132		
Property and Equipment, Net	286,591	220,551		
Goodwill, Net	1,276,074	1,155,428		
Other Intangibles, Net	111,342	94,136		
Other Assets	28,676	41,517		
TOTAL ASSETS	\$3,282,744	\$3,124,764		
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Floor plan notes payable	\$1,125,670	\$1,064,458		
Other current liabilities	247,658	268,236		
Liabilities associated with assets held for sale	48,592	96,292		
Current maturities of long-term debt	4,197	2,707		
Total current liabilities	1,426,117	1,431,693		
LONG-TERM DEBT	697,800	598,627		
OTHER LONG-TERM LIABILITIES	83,829	39,570		
DEFERRED INCOME TAXES	144,170	151,034		
STOCKHOLDERS' EQUITY	930,828	903,840		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,282,744	\$3,124,764		
Balance Sheet Ratios:				
Current Ratio	1.11	1.13		
Debt to Total Capital, Net of Cash	42.4%	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 result of various factors. Among others, factors that could materially adversely affect actual results and performance include those risk factors that are listed in Sonic Automotive’s Form 10-Q for the quarter ended September 30, 2007.



Sonic Automotive

Fourth Quarter 2007

Earnings Review

February 26, 2008



Discussion Topics

1. Corporate Culture, People and Vision
2. “Strategy in Motion” – a look back at 2007
3. 2008 Strategic Focus
4. Review Fourth Quarter 2007 Performance
5. Questions
6. Closing Comments

Our Vision

To Achieve Industry Leadership in Auto Retailing

Our Strategy

Organic-Operational Excellence
Growth through Portfolio Enrichment

Our Focus

"First and foremost we are a sales organization"

Our Values

"Take the High Road"

Our Promises

ASI - Associate Satisfaction
+ GSI - Guest Satisfaction
+ MSI - Manufacturer Satisfaction
= ROI - Shareholder Satisfaction

Our Culture

Leadership is Ownership
Aggressive Competitor
Cost Effectiveness
Productivity and Efficiency
Accountability
Standardization
Unconditional Teamwork
Work Ethic
Entrepreneurial Balance
Technology as an Enabler
Training and Development
Reward and Recognition
Partnership Pay
Support of Local Community
FUN

Corporate Culture People Vision

- Buildings do not Sell Cars...People Do.
- Take our People out of our Buildings, and what do we have left?
 - Nothing; except empty buildings
- Our People are our Greatest Assets and we are investing in them
- We like to invest where we make money, and that begins with our people
- Develop and Promote From Within
- First and Foremost, We are a Sales Organization
- 75% Sales and 25% Cost Control
- Nothing happens until we sell a car
- We are committed to "Take the High Road"



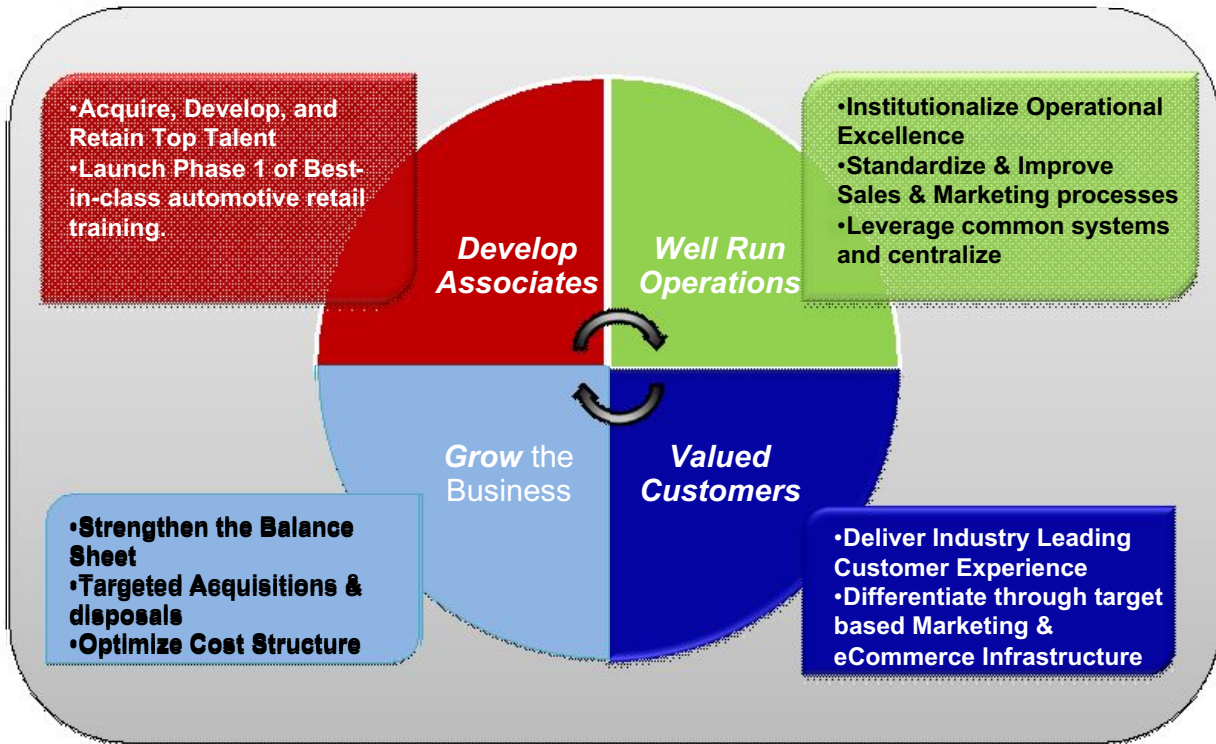
“Strategy in Motion”

**Consistent Execution of Strategic Initiatives
Results in FY EPS target attainment of \$2.54**

- ✓ **Used Vehicle Process**
- ✓ **Standard F&I Menu**
- ✓ **Fixed Operations**
- ✓ **Single DMS**
- ✓ **Digital Marketing (In Progress)**
- ✓ **Growth through Prudent Acquisitions**
- ✓ **Customer and Associate Satisfaction**



Strategic Focus -- 2008



Sonic's vision is to preserve the core automotive retail principles that have driven its past success and at the same time leverage the opportunities of scale.



The Quarter in Review

- **Operating Margin 3.7%**
- **EPS up 6.3%**
- **Total revenue up 7.6%; Gross up 5.7%**
 - Same store used vehicle revenue up 19.3%
 - F&I per unit up 6.9%
- **Best in peer group SG&A**

EXECUTION OF KEY INITIATIVES CONTINUES

Used vehicles, F&I, fixed operations, cost management

Financial Performance

(amounts in millions, except per share data)

	Q4		Better/ (Worse)		
	2007	2006			
Revenue	\$2,113	\$1,963	\$150	↑	7.6%
Gross Profit	\$322	\$305	\$17	↑	5.7%
– <i>Margin</i>	15.3%	15.5%		↓	20bps
Operating Profit					
– Amount	\$77	\$74	\$3	↑	4.0%
– <i>Margin</i>	3.7%	3.8%		↓	10bps
Net Income					
– Continuing Operations	\$29.4	\$28.9	\$0.5	↑	1.7%
– Total Operations	23.0	23.2	-0.2	↓	-0.9%
EPS					
– Continuing Operations	\$0.68	\$0.64	\$0.04	↑	6.3%
– Total Operations	0.54	0.52	0.02	↑	3.8%

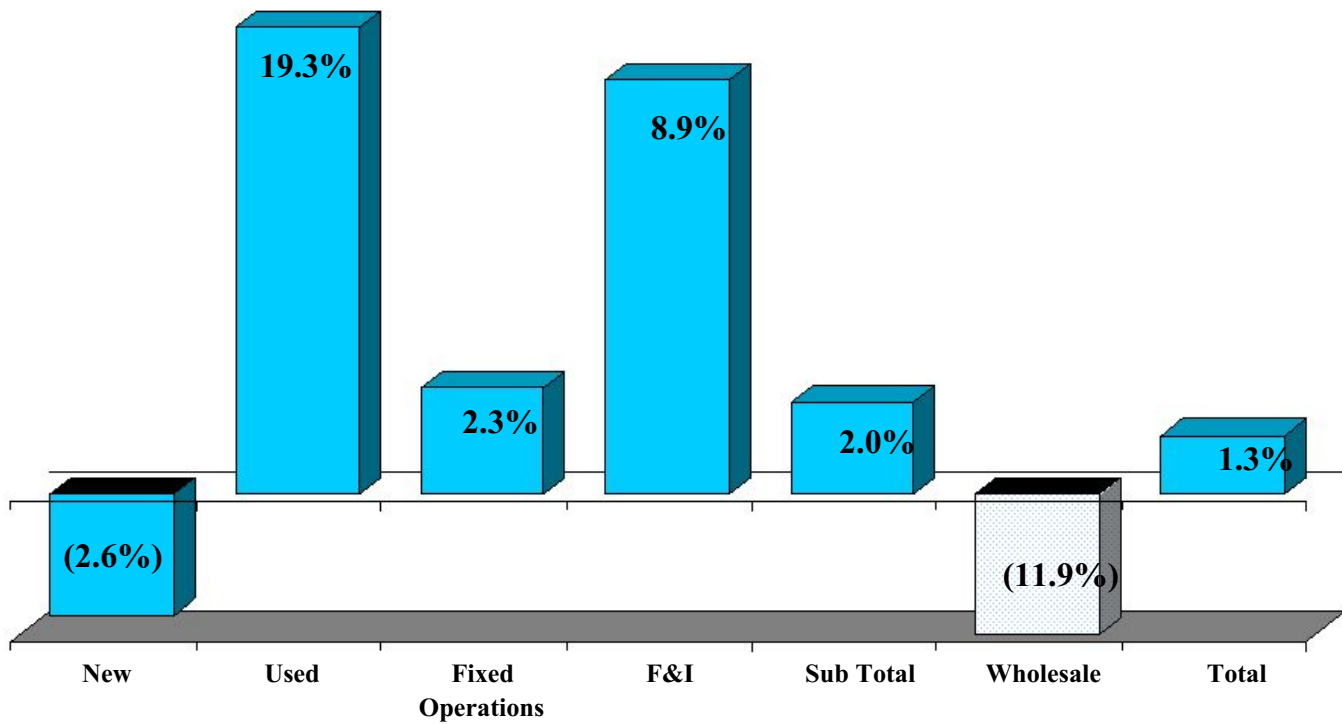
Financial Performance

(amounts in millions, except per share data)

	YTD		Better/ (Worse)		
	2007	2006 (1)			
Revenue	\$8,337	\$7,985	\$352	↑	4.4%
Gross Profit	\$1,291	\$1,228	\$63	↑	5.2%
– <i>Margin</i>	15.5%	15.4%		↑	10bps
Operating Profit					
– Amount	\$296	\$262	\$34	↑	13.1%
– <i>Margin</i>	3.6%	3.3%		↑	30bps
Net Income					
– Continuing Operations	\$114.8	\$96.8	\$18.0	↑	18.6%
– Total Operations	95.5	81.1	14.4	↑	17.7%
EPS					
– Continuing Operations	\$2.54	\$2.18	\$0.35	↑	16.0%
– Total Operations	2.13	1.85	0.28	↑	15.1%

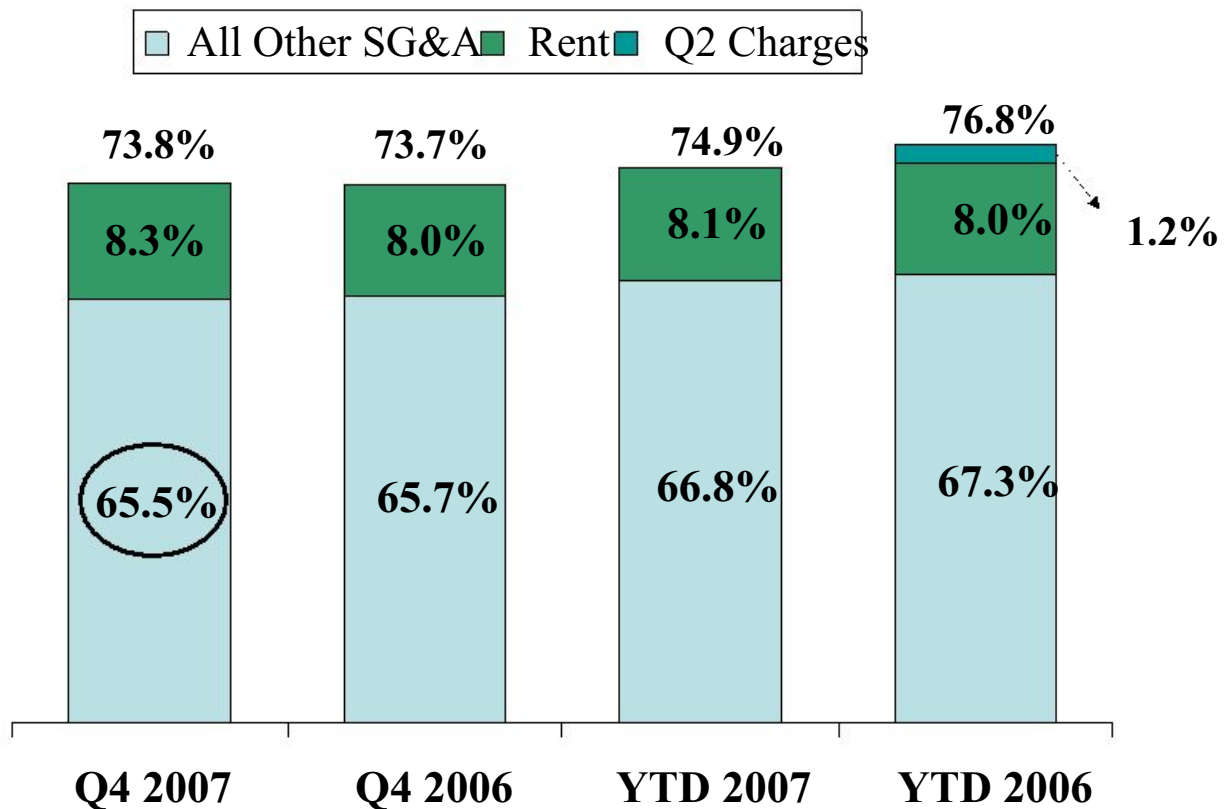
(1) Includes Q2 2006 pretax charge of \$27.6m.

Same Store Revenue Growth – Q4

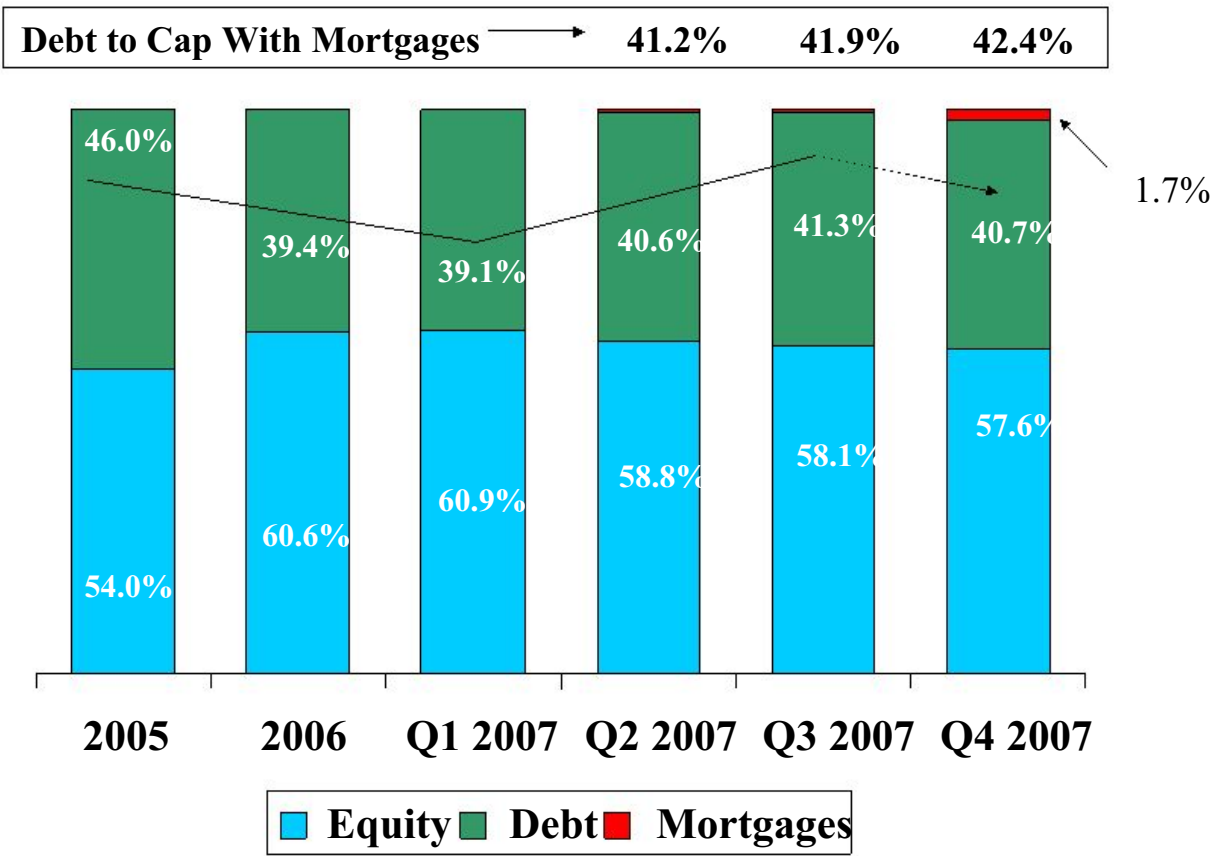


- Focus on higher margin business more than offsets weaker new vehicle sales
- Used retail sales up sharply, wholesale continues to decline

SG&A Expenses as % of Gross Profit



Capitalization



Inventory Management

Days Supply

	<u>Dec-07</u>	<u>Dec 07 Industry</u>
New Vehicles		
Domestic (excluding Cadillac)	62.1	69.4
Luxury (including Cadillac)	43.6	37.2
Import	48.9	52.7
Overall	48.5	58.9
Used Vehicles	36.2	

2008 Earnings Outlook (Continuing Operations)

2007 Reported Results	\$2.54
Changes in dealerships held for sale	(0.09)
Adjusted 2007 continuing ops EPS	\$2.45
2008 Activity:	
Operations (1)	(0.06) - 0.09
Other Interest	(0.14)
Income Tax Rate	(0.02)
Share Count	0.12
2008 Continuing Operations EPS Target	\$2.35 - \$2.50

(1) Includes effect of same store sales, technology/training investment, and floorplan interest improvements. Excludes any 2008 acquisitions.

2008 Earnings Outlook

(Continuing Operations- assumptions)

<u>Other Interest:</u>	<u>2008 B/(W) than 2007</u>
Mortgage Notes	(\$0.06)
Capitalized Interest	(\$0.01)
Interest Rate Swaps	(\$0.07)
Total Other Interest:	(\$0.14)
<i>Memo: Floorplan Interest</i>	\$0.16

<u>Share Count (mls):</u>	<u>2007</u>	<u>2008</u>
Fully Diluted	46.9	44.6

<u>Interest Rates:</u>	<u>2007</u>	<u>2008</u>	
		<u>First Half:</u>	<u>Second Half:</u>
LIBOR (30 Day)	5.26%	3.50%	4.50%

Summary

- Strong operating and financial performance in 2007
- Execution of key initiatives continues
- Rollout of Phase II of used car strategy continues
- Strength of higher margin departments will help offset a soft new vehicle environment.
- 2008 Outlook
 - New vehicle environment challenging
 - Our strategy is unchanged; our strong performance will continue
 - Investment in our people underway
- We are building for the long term



SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – February 26, 2008 – 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, 2008. The dividend will be payable April 15, 2008.

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is one of the largest automotive retailers in the United States operating 169 franchises and 34 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 quarterly report on Form 10-Q for the quarter ended September 30, 2007. The Company does not undertake any obligation to update forward-looking information.