

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): July 29, 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 July 29, 2008, we issued a press release announcing results for our fiscal quarter and six month period ended June 30, 2008.

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 29, 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 July 29, 2008

99.2 Earnings call presentation materials

99.3 Press release of Sonic Automotive, Inc. dated July 29, 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: July 29, 2008

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated July 29, 2008
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc. dated July 29, 2008

Sonic Automotive, Inc. Announces Second Quarter Results

CHARLOTTE, N.C. – July 29, 2008 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that second quarter 2008 earnings from continuing operations were \$20.1 million, or \$0.49 per diluted share, compared to \$28.8 million, or \$0.62 per diluted share, in the prior year period.

“This quarter’s results are in line with our revised earnings target,” said President and Chief Strategic Officer B. Scott Smith. “We have seen some improvement in our July business compared to the relatively weak industry experience the entire sector saw in June but the overall market remains challenged. We continue to see the benefit of the automotive retailing model and believe the changes we are making in light of the current economic environment will benefit our Company well into the future.”

Presentation materials for the Company’s earnings conference call at 11:00 A.M. (Eastern) on July 29, 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 right 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 #55356748.

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 166 franchises. Sonic can be reached on the Web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to July business activity. 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, 2008. 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		Six Months Ended	
	6/30/2008	6/30/2007	6/30/2008	6/30/2007
Revenues				
New retail vehicles	\$1,049,472	\$1,128,335	\$2,029,199	\$2,156,505
Fleet vehicles	120,507	101,030	228,099	189,835
Total new vehicles	1,169,979	1,229,365	2,257,298	2,346,340
Used vehicles	379,522	351,333	749,310	670,590
Wholesale vehicles	82,467	98,260	166,802	203,972
Total vehicles	1,631,968	1,678,958	3,173,410	3,220,902
Parts, service and collision repair	294,608	283,478	587,581	561,606
Finance, insurance and other	52,943	52,352	103,636	99,129
Total revenues	1,979,519	2,014,788	3,864,627	3,881,637
Total gross profit	310,755	313,697	613,512	609,364
SG&A expenses	(242,042)	(232,366)	(481,690)	(461,378)
Depreciation	(8,879)	(8,327)	(16,744)	(13,825)
Operating income	59,834	73,004	115,078	134,161
Interest expense, floor plan	(11,502)	(16,645)	(24,723)	(32,342)
Interest expense, other	(14,794)	(8,871)	(26,778)	(17,548)
Other (expense) / income	26	74	97	90
Income from continuing operations before taxes	33,564	47,562	63,674	84,361
Income taxes	(13,431)	(18,722)	(25,470)	(33,256)
Income from continuing operations	20,133	28,840	38,204	51,105
Discontinued operations:				
Loss from operations and the sale of discontinued franchises	(13,319)	(3,532)	(18,836)	(6,781)
Income tax benefit	3,997	1,060	5,651	2,035
Loss from discontinued operations	(9,322)	(2,472)	(13,185)	(4,746)
Net income	\$ 10,811	\$ 26,368	\$ 25,019	\$ 46,359
Diluted:				
Weighted average common shares outstanding	43,421	47,987	43,633	47,963
Earnings per share from continuing operations	\$ 0.49	\$ 0.62	\$ 0.92	\$ 1.11
Loss per share from discontinued operations	\$ (0.22)	\$ (0.05)	\$ (0.30)	\$ (0.10)
Earnings per share	\$ 0.27	\$ 0.57	\$ 0.62	\$ 1.01
Gross Margin Data (Continuing Operations):				
Retail new vehicles	7.5%	7.4%	7.4%	7.4%
Fleet vehicles	1.3%	2.6%	1.7%	2.4%
Total new vehicles	6.8%	7.0%	6.8%	7.0%
Used vehicles retail	8.5%	9.3%	8.7%	9.5%
Total vehicles retail	7.2%	7.5%	7.3%	7.6%
Wholesale vehicles	(2.2%)	(1.3%)	(1.7%)	(0.6%)
Parts, service and collision repair	50.0%	50.8%	49.9%	50.5%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	15.7%	15.6%	15.9%	15.7%
SG&A Expenses (Continuing Operations):				
Personnel	\$ 136,924	\$ 135,044	\$ 271,948	\$ 264,271
Advertising	17,224	16,039	33,529	31,122
Facility rent	21,410	24,880	46,419	49,840
Other	66,484	56,403	129,794	116,145
Total	\$ 242,042	\$ 232,366	\$ 481,690	\$ 461,378
SG&A Expenses as % of Gross Profit				
Personnel	44.1%	43.0%	44.3%	43.4%
Advertising	5.5%	5.1%	5.5%	5.1%
Facility rent	6.9%	7.9%	7.6%	8.2%
Other	21.4%	18.1%	21.1%	19.0%
Total	77.9%	74.1%	78.5%	75.7%
Operating Margin %	3.0%	3.6%	3.0%	3.5%

Unit Data (Continuing Operations):	Three Months Ended		Six Months Ended	
	6/30/2008	6/30/2007	6/30/2008	6/30/2007
New retail units	32,187	33,780	61,028	64,021
Fleet units	4,558	4,677	8,913	8,413
Used units	18,871	17,443	37,266	33,702
Wholesale units	10,505	10,814	20,814	22,639
Average price per unit:				
New retail vehicles	\$ 32,605	\$ 33,402	\$ 33,250	\$ 33,684
Fleet vehicles	26,439	21,601	25,592	22,564
Used vehicles	20,111	20,142	20,107	19,898
Wholesale vehicles	7,850	9,086	8,014	9,010
Other Data:				
Same store revenue percentage changes:				
New retail	(13.0%)		(11.6%)	
Fleet	2.9%		7.4%	
Total New Vehicles	(11.7%)		(10.1%)	
Used	2.7%		6.6%	
Parts, service and collision repair	(0.8%)		(0.1%)	
Finance, insurance and other	(2.1%)		1.4%	
Total	(7.8%)		(6.1%)	
Balance Sheet Data:				
	6/30/2008	12/31/2007		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 11,381	\$ 16,514		
Receivables, net	279,740	347,309		
Inventories	1,156,208	1,093,017		
Assets held for sale	114,263	87,342		
Other current assets	36,477	35,879		
Total current assets	1,598,069	1,580,061		
Property and Equipment, Net	396,841	286,591		
Goodwill, Net	1,250,363	1,276,074		
Other Intangibles, Net	108,684	111,342		
Other Assets	28,565	28,676		
TOTAL ASSETS	\$ 3,382,522	\$ 3,282,744		
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Floor plan notes payable	\$ 1,159,953	\$ 1,125,670		
Other current liabilities	230,421	247,658		
Liabilities associated with assets held for sale	50,929	48,592		
Current maturities of long-term debt	134,983	4,197		
Total current liabilities	1,576,286	1,426,117		
LONG-TERM DEBT	647,652	697,800		
OTHER LONG-TERM LIABILITIES	224,267	227,999		
STOCKHOLDERS' EQUITY	934,317	930,828		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,382,522	\$ 3,282,744		



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 year ended March 31, 2008.



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**Second Quarter 2008
Earnings Review
July 29, 2008**



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Building for the Long-Term

The Quarter in Review

Produced solid results in tough environment

- Outperformed industry
- Expanded used retail volume, F&I PUR
- Controlled inventory

What are we doing now? PLENTY!

- Ongoing expense initiatives
- Streamlined field operations
- Refined focus on fixed operations

Sticking with our long-term strategy

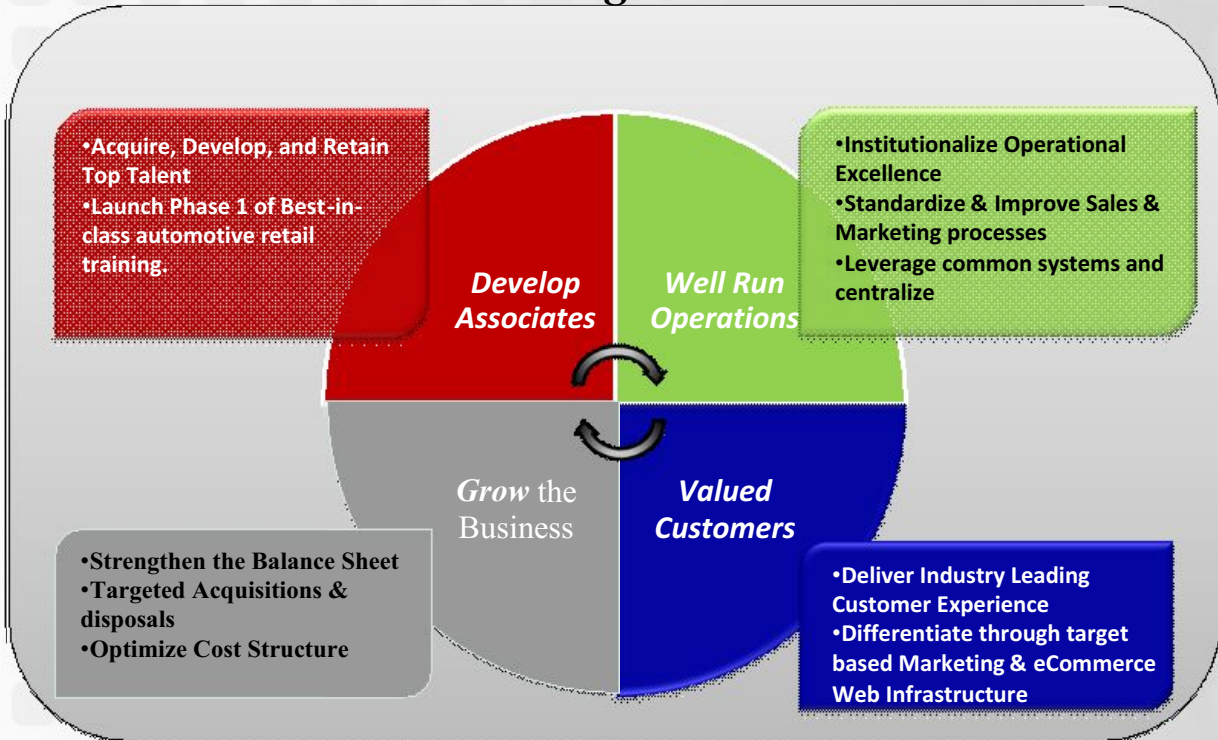
- 2008 initiatives – Training, e-commerce, enhanced customer experience
- Focus on the higher margin segments of the business
- Sound spending principles
- Portfolio enrichment / grow the business



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Building for the Long-Term

2008 Strategic Focus



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.



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Financial Performance

(amounts in millions, except per share data)

	Q2		Better/ (Worse)	
	2008	2007		
Revenue	\$1,980	\$2,015	(\$35) ↓	(1.7%)
Gross Profit	\$311	\$314	(\$3) ↓	(1.0%)
– <i>Margin</i>	15.7%	15.6%	↑	10bps
Operating Income				
– Amount	\$60	\$73	(\$13) ↓	(18.0%)
– <i>Margin</i>	3.0%	3.6%	↓	60bps
Net Income				
– Continuing Operations	\$20.1	\$28.8	(\$8.7) ↓	(30.2%)
– Total Operations	10.8	26.4	(15.6) ↓	(59.0%)
EPS - Diluted				
– Continuing Operations	\$0.49	\$0.62	(\$0.13) ↓	(21.0%)
– Total Operations	0.27	0.57	(0.30) ↓	(52.6%)



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Discontinued Operations

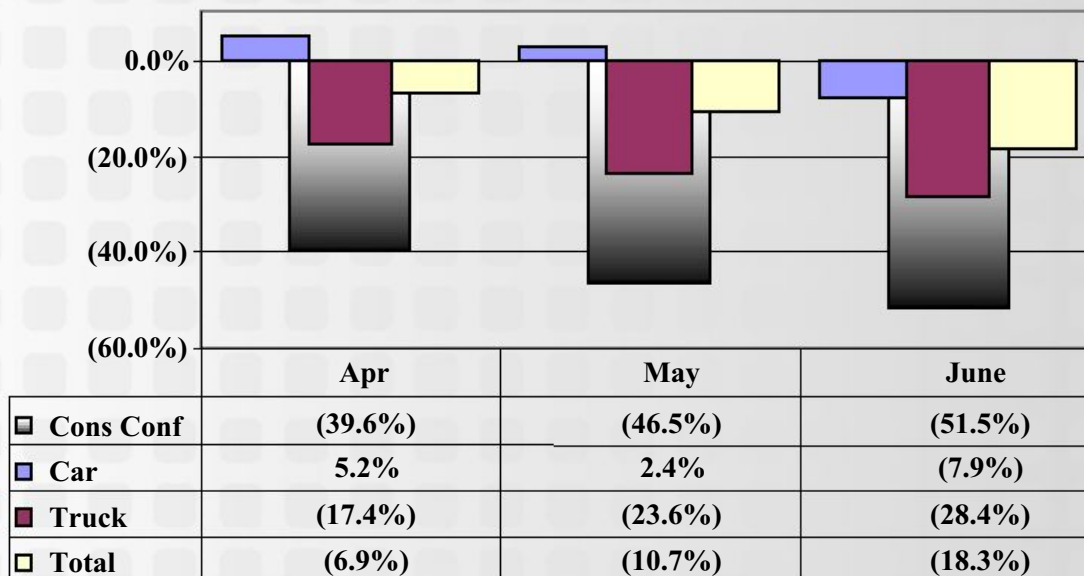
<u>Amount After Taxes</u>	<u>Q2 2008</u> <u>(000's)</u>	
Loss from Operations	\$ (3,369)	
Asset Impairments	(3,010)	} Non-Cash
Lease Exit Accruals	(529)	
Loss on Disposal	(2,414)	
Subtotal	<u>(5,953)</u>	
Total	<u>\$ (9,322)</u>	



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New Vehicle Industry/Consumer Confidence Trends

Year over Year



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Days Supply

	Jun-08	Jun 08 Industry
New Vehicles		
Domestic	61.2	77.7
Luxury	65.9	58.3
Import	48.9	49.0
Overall	60.1	62.8
Used Vehicles	30.4	

Note: Industry truck days supply was 90 at the end of June, while car inventory was 41.



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Gross Margin %

(Continuing Operations)

	<u>2008</u>	<u>2007</u>	<u>B / (W)</u>
New - Retail	7.5%	7.4%	10 bps
Used	8.5%	9.3%	(80) bps
Fixed Ops	50.0%	50.8%	(80) bps

New vehicle factors:

- Industry days supply on trucks, shortage of hot selling models
- Shift to less expensive vehicles

Used vehicle factors:

- Less trades coming in, more purchases
- Large % CPO
- Truck / SUV values plunged

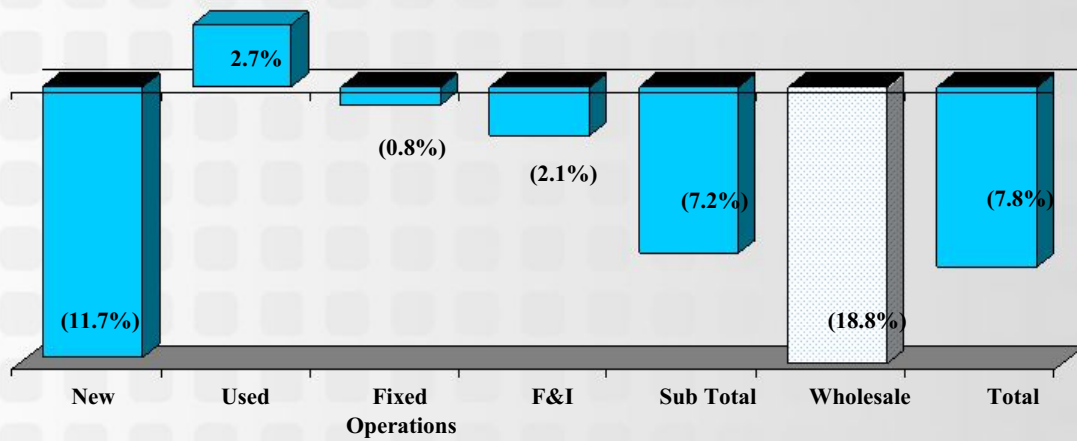
Fixed Operations:

- Softening demand
- Shift to lower margin services



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Same Store Revenue Change – Q2 2008



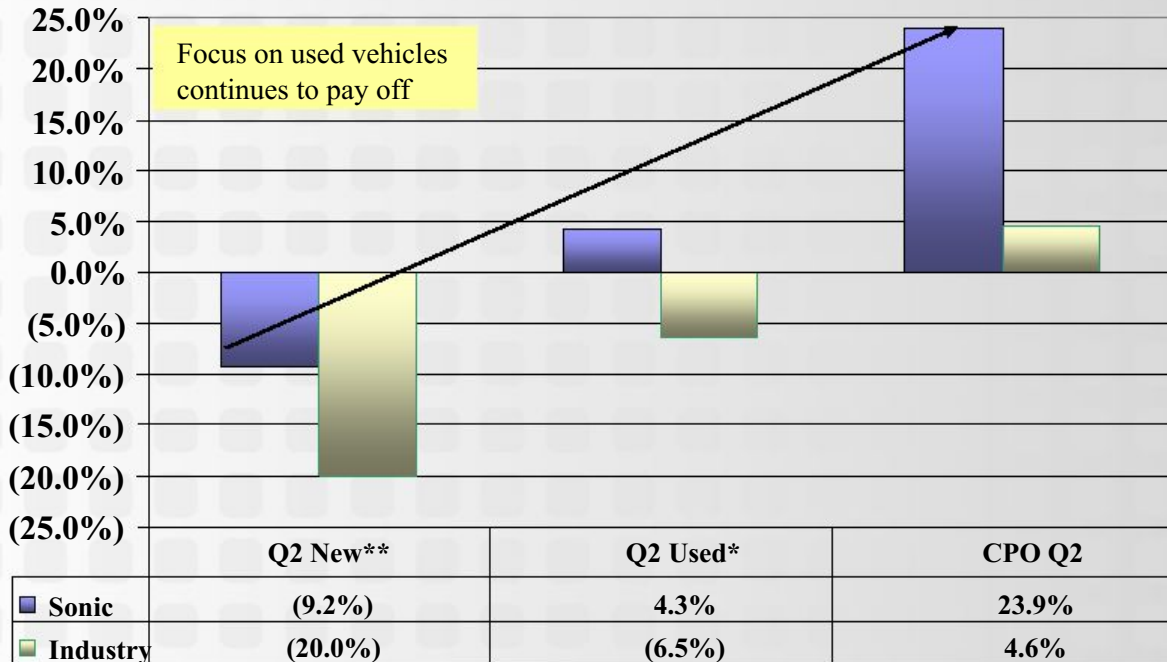
- F&I per unit increased \$27 or 2.7%
- Certified pre-owned volume up 23.9%



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New, Used, & CPO Retail Unit Sales

Same Store vs. Industry



*National franchise dealers

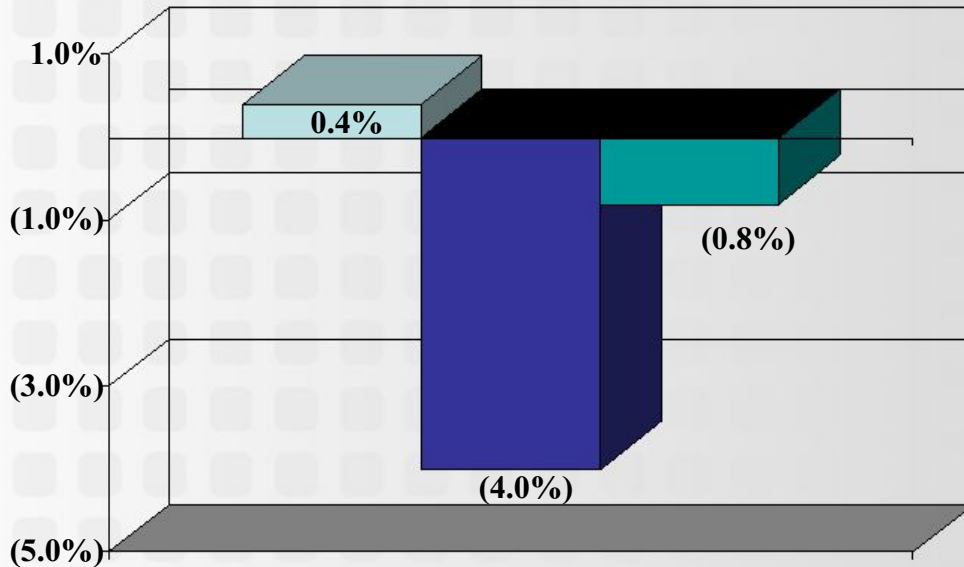
**Excluding fleet – with fleet, industry off 12.0%



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Fixed Operations

Same Store

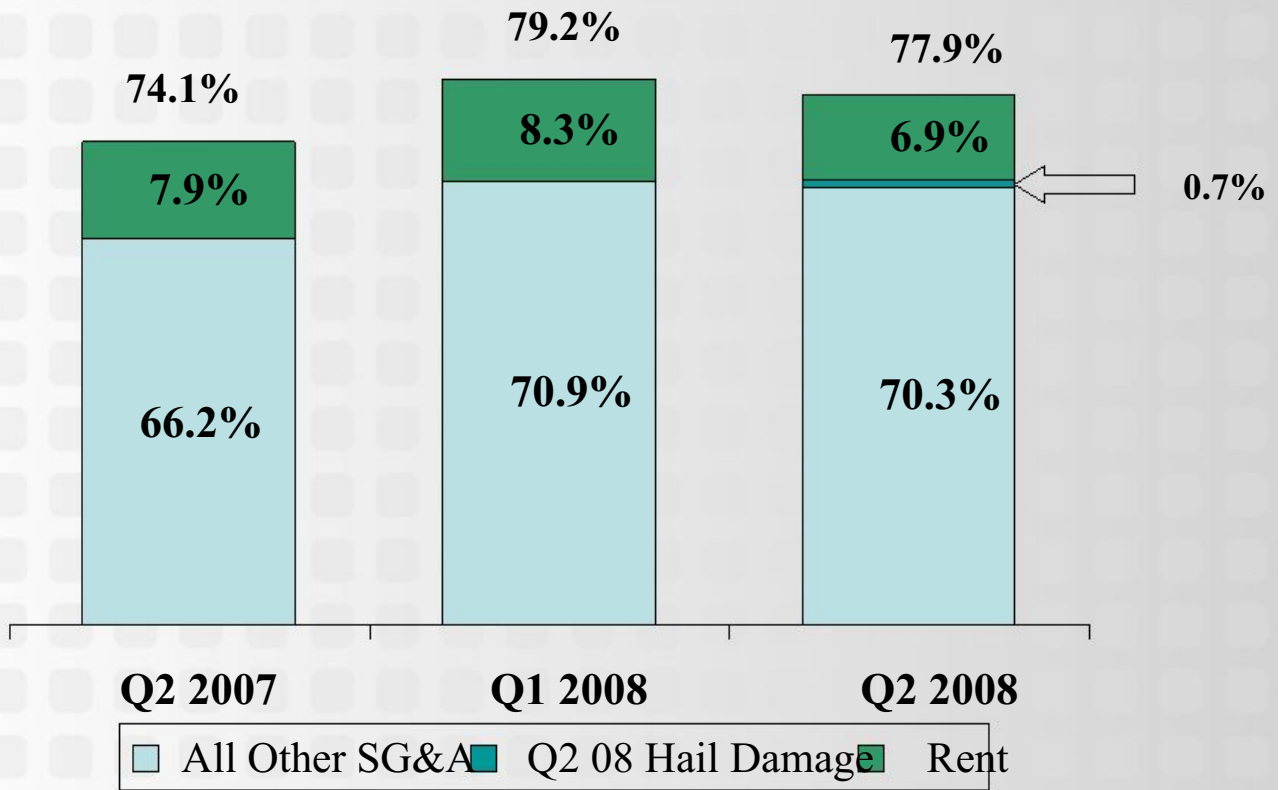


Customer Pay Warranty Total



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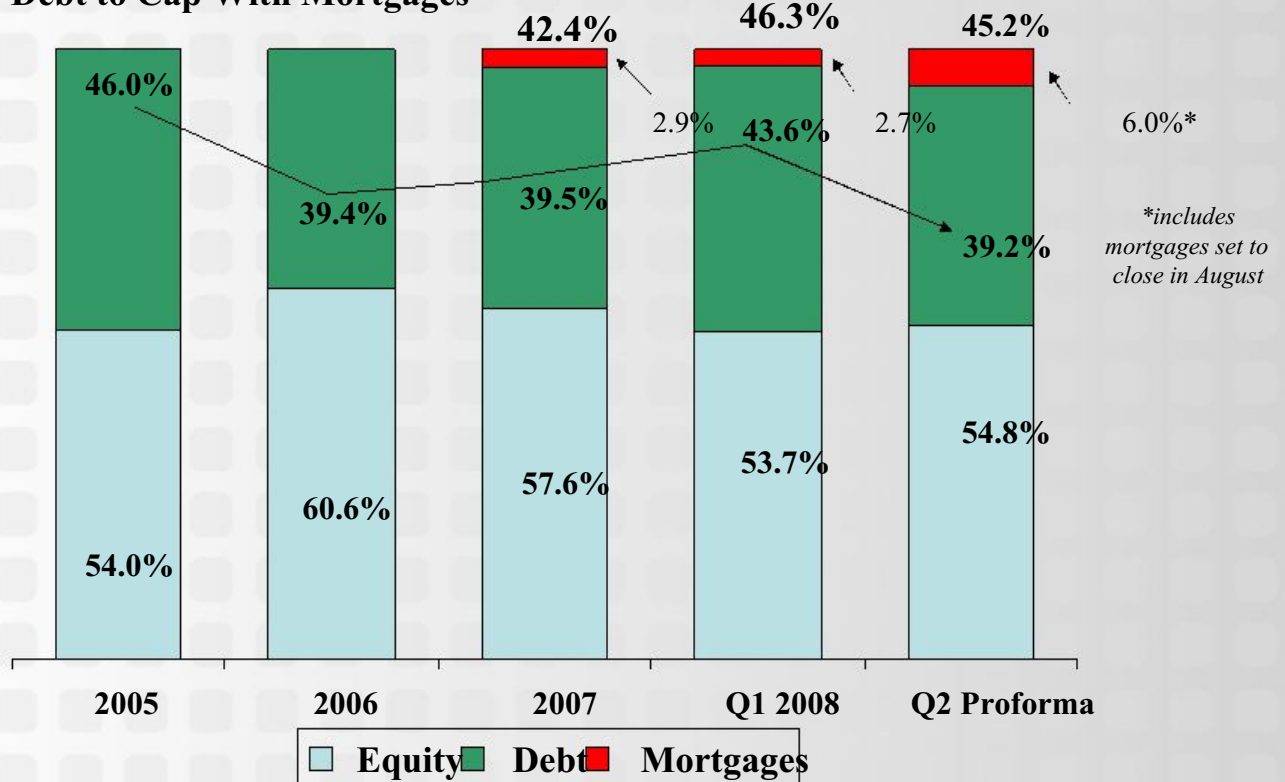
SG&A Expenses as % of Gross Profit



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Capitalization

Debt to Cap With Mortgages



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Forecast Assumptions

	<u>Original Forecast</u>	<u>Revised Forecast</u>
Same Store Sales:		
New Units*	(4.5%)	(7.2%)
Used Units	3.0%	4.4%
Fixed Operations Revenue	3.5%	(0.5%)
Hail Loss	-	\$2.0M
Bond Redemption Premium (Int Exp)	-	\$1.0M
LIBOR Rate	3.5% - 4.5%	2.5% - 3.0%
SAAR	15.5M	14.5M

**Includes fleet*



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Summary

- **Delivered sound results in a difficult environment**
- **Sticking to our strategy**
 - Focus on higher margin business
 - Investing in our people, alignment of regional teams
 - Digital marketing
 - Technology
- **Q3 Outlook**
 - New vehicle environment will continue to be very challenging
 - New and Used gross margin pressure
 - Low consumer confidence low + higher energy prices = slower consumer spending
- **We are building for the long-term**



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SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – July 29, 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 September 15, 2008. The dividend will be payable October 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 166 franchises. 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 March 31, 2008. The Company does not undertake any obligation to update forward-looking information.