

**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 8, 2009

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 May 8, 2009, we issued a press release announcing results for our fiscal quarter ended March 31, 2009.

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 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc. dated May 8, 2009

99.2 Earnings call presentation materials

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 8, 2009

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated May 8, 2009
99.2	Earnings call presentation materials

Sonic Automotive, Inc. Reports Solid First Quarter Earnings
Sets New Car Market Share Records, Raises its Annualized Cost Reduction Target to \$135 Million

CHARLOTTE, N.C. – May 8, 2009 – Sonic Automotive, Inc. (NYSE: SAH), the nation’s third-largest automotive retailer, today reported that 2009 first quarter earnings from continuing operations were \$5.4 million, or \$0.13 per diluted share, before adoption of APB 14-1. The Company’s first quarter of 2009 also included pretax expense of \$2.0 million, or \$0.03 per diluted share, related to the Company’s successful debt restructuring efforts. Excluding these restructuring charges, first-quarter profit from continuing operations was \$0.16 per diluted share before the adoption of APB 14-1, as shown in the attached reconciliation table.

B. Scott Smith, the Company’s President said, “Our continued focus on executing the basic blocking and tackling of our playbook produced solid results in the most difficult automotive business environment in at least a generation. We made money and moved the business forward, demonstrating the power of Sonic’s ongoing business strategy. Our playbook execution, including Pre-Owned, e-Commerce and Fixed Operations, provided the needed support as the new vehicle environment continued to struggle.”

“We are very pleased that despite the adversity in the new vehicle environment, Sonic set all-time new car market share records during the quarter. Our advertising and internet marketing initiatives resulted in 83 of our dealerships taking share by exceeding their local markets for the quarter. Our used vehicle business continues to outperform the industry confirming the fact that our pre-owned strategic initiatives are having a positive impact on our overall revenue mix and generating the intended results. Traffic to our internet websites was up 36%, and we posted the fourth highest customer pay quarter in our service department history.”

Mr. Smith continued, “On the cost front, our SG&A expenses were down over \$23 million compared to the first quarter of last year. Adjusting our business model to respond to the current economy continues to be a primary focus. We made significant additional progress after announcing our cost reduction initiatives in March, and have raised our targeted annualized cost reductions to \$135 million compared to our previously disclosed projection of \$125 million. We believe that when SG&A is adjusted for rent, we are a top-performer among our peers.”

“We have lowered our number of associates by roughly 10% over the last six months. We now have fewer people making more money. As a result, we’re proud to say that our associate turnover is at an all-time low and associate satisfaction levels have never been higher, all of which complement our all-time high customer satisfaction scores.”

Presentation materials for the Company’s May 8, 2009 earnings conference call at 11:00 A.M. (Eastern) 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 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 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: 98605797, International callers dial (706) 645-9291.

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 300 company based in Charlotte, N.C., is the nation’s third-largest automotive retailer, operating 159 franchises. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to cost reduction plans. 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, 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	
	3/31/2009	3/31/2008
Revenues		
New retail vehicles	\$ 573,275	\$ 832,950
Fleet vehicles	16,991	64,729
Total new vehicles	590,266	897,679
Used vehicles	290,256	320,713
Wholesale vehicles	32,180	69,966
Total vehicles	912,702	1,288,358
Parts, service and collision repair	240,724	249,987
Finance, insurance and other	31,971	44,841
Total revenues	1,185,397	1,583,186
Total gross profit	218,242	259,071
SG&A expenses	(181,535)	(204,675)
Goodwill and other asset impairments	(32)	(156)
Depreciation	(7,788)	(6,723)
Operating income	28,887	47,517
Interest expense, floor plan	(4,303)	(11,048)
Interest expense, FSP APB 14-1	(2,566)	(2,639)
Interest expense, other	(14,810)	(10,665)
Other income	41	63
Income from continuing operations before taxes	7,249	23,228
Income taxes	(3,262)	(9,292)
Income from continuing operations	3,987	13,936
Discontinued operations:		
Loss from operations and the sale of discontinued franchises	(3,078)	(1,273)
Income tax benefit / (provision)	769	(38)
Loss from discontinued operations	(2,309)	(1,311)
Net income	<u>\$ 1,678</u>	<u>\$ 12,625</u>
Basic:		
Weighted average common shares outstanding	40,099	40,774
Earnings per share from continuing operations	\$ 0.10	\$ 0.34
Loss per share from discontinued operations	(\$ 0.06)	(\$ 0.03)
Earnings per share	<u>\$ 0.04</u>	<u>\$ 0.31</u>
Diluted:		
Weighted average common shares outstanding	40,338	41,069
Earnings per share from continuing operations	\$ 0.10	\$ 0.34
Loss per share from discontinued operations	(\$ 0.06)	(\$ 0.03)
Earnings per share	<u>\$ 0.04</u>	<u>\$ 0.31</u>
Gross Margin Data (Continuing Operations):		
Retail new vehicles	7.0%	7.3%
Fleet vehicles	(0.2%)	0.8%
Total new vehicles	6.8%	6.8%
Used vehicles retail	9.4%	9.3%
Total vehicles retail	7.6%	7.5%
Wholesale vehicles	(0.4%)	(1.5%)
Parts, service and collision repair	49.5%	49.7%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	18.4%	16.4%
SG&A Expenses (Continuing Operations):		
Personnel	\$ 102,633	\$ 116,001
Advertising	9,498	13,644
Facility rent and related expenses	31,305	31,327
Other	38,099	43,703
Total	<u>\$ 181,535</u>	<u>\$ 204,675</u>
SG&A Expenses as % of Gross Profit		
Personnel	47.0%	44.7%
Advertising	4.4%	5.3%
Facility rent and related expenses	14.3%	12.1%
Other	17.5%	16.9%
Total	<u>83.2%</u>	<u>79.0%</u>
Operating Margin %	2.4%	3.0%

Unit Data (Continuing Operations):	Three Months Ended	
	3/31/2009	3/31/2008
New retail units	16,801	24,116
Fleet units	643	2,409
Used units	15,155	15,782
Wholesale units	5,362	8,342
Average price per unit:		
New retail vehicles	\$ 34,121	\$ 34,539
Fleet vehicles	26,425	26,870
Used vehicles	19,152	20,321
Wholesale vehicles	6,001	8,387

Other Data:

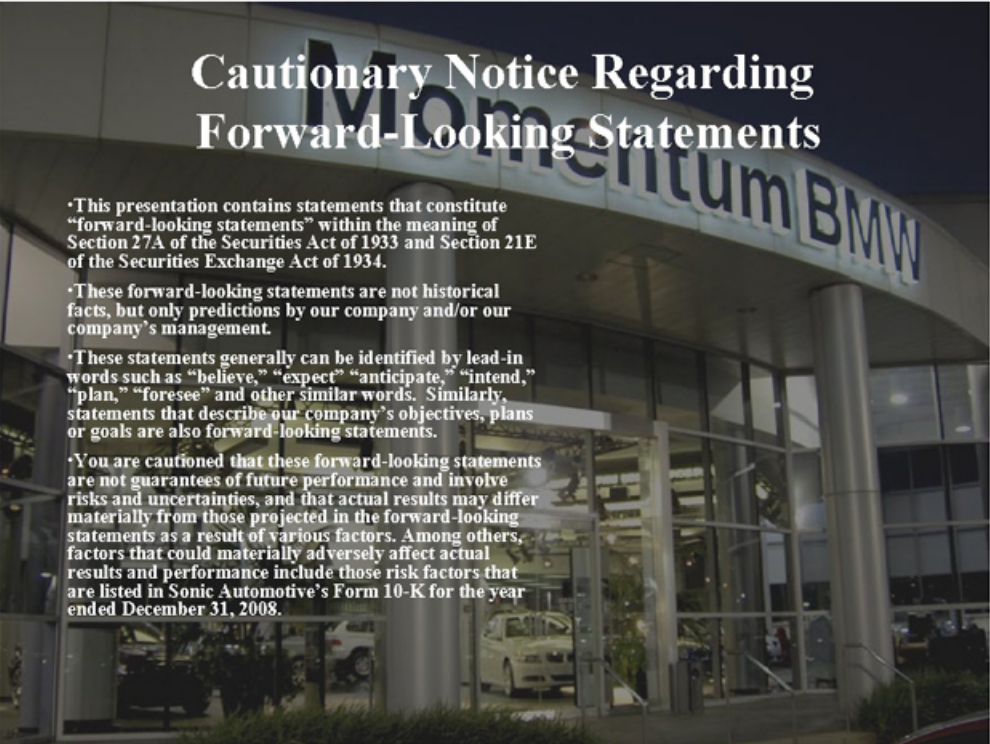
Same store revenue percentage changes:		
New retail	(31.6%)	
Fleet	(73.7%)	
Total New Vehicles	(34.6%)	
Used	(9.8%)	
Parts, service and collision repair	(4.3%)	
Finance, insurance and other	(28.3%)	
Total	(25.5%)	

Balance Sheet Data:

	3/31/2009	12/31/2008 (1)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 614	\$ 6,971
Receivables, net	205,957	247,025
Inventories	802,830	916,837
Assets held for sale	365,452	406,576
Other current assets	23,523	16,822
Total current assets	1,398,376	1,594,231
Property and Equipment, Net	382,129	369,892
Goodwill, Net	327,007	327,007
Other Intangibles, Net	81,914	82,328
Other Assets	22,195	32,087
TOTAL ASSETS	\$ 2,211,621	\$ 2,405,545
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Floor plan notes payable	\$ 780,102	\$ 921,023
Other current liabilities	204,869	277,938
Liabilities associated with assets held for sale	149,990	199,482
Current maturities of long-term debt	211,584	738,447
Total current liabilities	1,346,545	2,136,890
LONG-TERM DEBT	557,278	—
OTHER LONG-TERM LIABILITIES	90,689	71,132
STOCKHOLDERS' EQUITY	217,109	197,523
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,211,621	\$ 2,405,545

(1) Restated for the adoption effects of FSP APB 14-1.





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-K for the year ended December 31, 2008.



**First Quarter 2009
Earnings Review
May 8, 2009**



Sonic Automotive Q1 2009

Conference Call Topics

- **Quarterly Overview**
- **Financial Review**
- **Operations Review**
- **Closing Comments**



Quarter in Review

- **Strong performance in a tough environment**
 - ✓ Gained new vehicle market share
 - ✓ Used vehicle performance solid – CPO again outperformed industry
 - ✓ Expanded service customer pay
 - ✓ Cost optimization
 - ✓ Made money
- **Successfully restructured debt**
- **Strategic initiatives continue to gain traction**



Financial Review

(amounts in millions, except per share data)

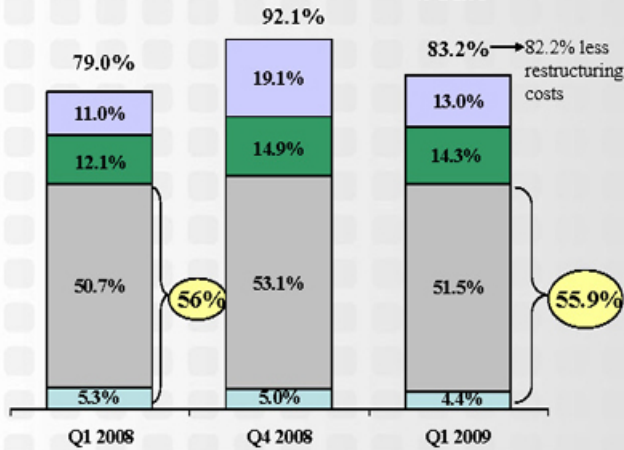
	Three Months Ended	
	3/31/2009	3/31/2008
Revenue	\$ 1,185.4	\$ 1,583.2
Gross Profit	\$ 218.2	\$ 259.1
Gross Margin	18.4%	16.4%
SG&A as % of Gross Profit	83.2%	79.0%
Operating Margin	2.4%	3.0%
Income from Continuing Operations	\$ 4.0	\$ 13.9
Diluted EPS from Continuing Operations	\$ 0.10	\$ 0.34
Diluted EPS from Discontinued Operations	\$ (0.06)	\$ (0.03)

	Diluted EPS - Continuing	
	3/31/2009	3/31/2008
Reported	\$ 0.10	\$ 0.34
FSP APB 14-1	0.03	0.04
Debt restr'ing costs	0.03	-
Adjusted	\$ 0.16	\$ 0.38



Financial Review

SG&A



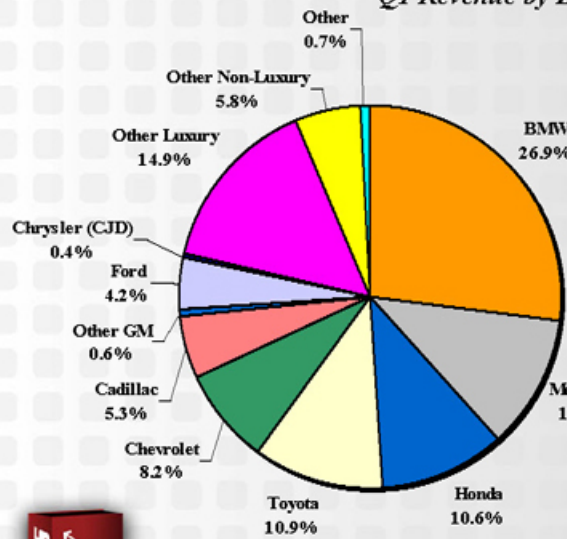
• Total SG&A expenses were down \$23 million or 11.3% from Q1:08

• Advertising, Total Comp, and other variable expenses were 55.9% of gross, a 10bps improvement versus last year.



Financial Review

Q1 Revenue by Brand



Total Detroit 3 Exposure

Chevy	9 franchises
Cadillac	17 franchises
Hummer	3 franchises
Saab	2 franchises
Buick	1 franchise
Saturn	1 franchise
Chrysler (CJD)	9 franchises
Ford	6 franchises
Volvo	7 franchises

20.2% of continuing revenue
1.5% continuing dealership profit



Financial Review

Domestic Exposure

(dollars in millions, as of March 31, 2009)

	<u>Chrysler</u>	<u>GM(1)</u>	<u>Ford (2)</u>
Store Count (3)	4	26	12
New Vehicle Inventory	\$ 12.5	\$ 131.6	\$ 75.9
Parts Inventory	1.5	11.5	4.3
Factory Receivables	0.5	7.2	3.7

(1) 96% of dealerships are Chevy/Cadillac. No stand-alone Hummer, Pontiac or GMC stores

(2) Includes Volvo

(3) Store count as of May 8, 2009



Financial Review

Debt Restructuring

	<u>Amount</u> <i>(mils)</i>
5.25% Convertible Notes Maturing	\$ 105.3
Retired with Cash at Maturity	(15.7)
Notes to be Restructured	<u>\$ 89.6</u>
Issuance of new 6.00% Senior Secured Second Lien Convertible Notes	\$ 85.6
Issuance of Class A Common Stock to bondholders	4.0
Total	<u>\$ 89.6</u>

Debt Restructuring Results

- Extended maturity
- Competitive coupon
- Two years before conversion option is effective



Financial Review

Debt Covenants

	Covenant	Actual Q1 2009	Revised Covenant (1)
Liquidity Ratio	≥ 1.15	1.16	≥ 1.10
Fixed Charge Coverage Ratio	≥ 1.20	1.23	≥ 1.15
Secured Debt to EBITDA Ratio	≤ 2.25	1.50	≤ 2.25

(1) effective Q2

Compliant with all covenants



Operations Review

Same Store Revenue

Three Months Ended

	Mar-09	Mar-08	Change	% Change
New retail	\$ 570.1	\$ 832.9	\$ (262.8)	(31.6%)
Used retail	289.3	320.7	(31.4)	(9.8%)
F&I	31.1	43.4	(12.3)	(28.3%)
Variable Retail	\$ 890.5	\$ 1,197.0	\$ (306.5)	(25.6%)
Fleet	17.0	64.7	(47.7)	(73.7%)
Used wholesale	32.1	70.0	(37.9)	(54.1%)
Fixed Operations	239.1	249.8	(10.7)	(4.3%)
Total	\$1,178.7	\$1,581.5	(402.8)	(25.5%)



Operations Review

Sonic vs. Local Market

	Jan	Feb	Mar
South East	↑	↑	↑
Texas	↑	↑	↑
Central	↓	↑	↑
California	↑	↑	↑
Total Sonic*	319	686	688

New
inventory
down \$139
million

* Bps difference between Sonic and the local market competition.



Operations Review

Same Store Used Vehicle

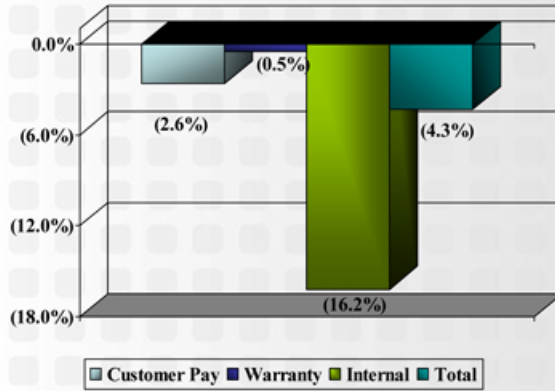
	Q4:08	Q1:09	Chg. Q4 - Q1
Retail Volume	13,753	15,110	9.9%
YOY % better/ - worse	(8.5)%	(4.3)%	
Retail GPU	\$1,351	\$1,833	35.7%
YOY % better/ - worse	(23.4)%	(0.3)%	
Wholesale Loss	(\$2,548,557)	(\$134,074)	94.7%
YOY % better/ - worse	(50.6)%	87.4%	
Days Supply	22.3	29.4	
% over 30 days old	23.2%	21.9%	

Q1 used to new ratio .90 – all time record
 Preliminary April – retail unit volume up 1.6%



Operations Review

Same Store Fixed Operations Revenue



Customer Pay Total Q1:

Luxury Imports	+1.9%
Non Luxury Imports	(5.2%)
Detroit 3	(8.7%)

Customer Pay by Department*:

Service	0.8%
Parts	0.7%
Collision Center	(10.2%)



**Adjusted for selling days*

Strategy Update – 2009 Focus

The Last Eight Months

Tactical

Visited North West stores
Centralized Inventory Mgt
Regional E Commerce
Training
Service Grid Installation

Strategic

Reconfirm Sonic Culture
Formalize "Playbooks"
Pay plans in line with goals

The Result

- Market Share
- Used performance
- Consistent message
- Record low turnover
- Record high ASI
- Record high CSI

The Next Eight Months

Strategy Execution

1. "Playbook Execution" tours
 - Evaluate process knowledge
 - Support Sonic Culture
 - Feedback / Debrief
2. Training / Monitoring

Strategy Implementation

1. Phase III – E Commerce
 - BDC
2. Phase II – Service
 - Menu/Merchandising
3. Phase II – Used vehicle
 - Refining trade desk
 - Refine internet marketing



Summary

- **We focused on stabilizing the business in a difficult environment**
 - Right sized the cost structure
 - Executing strategic initiatives
 - Used Vehicle
 - Fixed Operations
 - E Commerce
 - Debt restructuring
- **Second Quarter Outlook**
 - Overall economic climate still tough
 - Slightly better / improving credit environment (TALF)
 - Key Assumptions
 - 9.5-10.5m SAAR environment
 - Detroit 3 uncertainty
 - New margins difficult, used stable to improving
 - Parts and Service flat to up



