

**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): **October 25, 2011**

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.)

4401 Colwick Road
Charlotte, North Carolina
(Address of principal executive offices)

28211
(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 October 25, 2011, we issued a press release announcing results for our fiscal quarter and nine month period ended September 30, 2011.

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 October 25, 2011, 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 October 25, 2011

99.2 Earnings call presentation materials

99.3 Press release of Sonic Automotive, Inc. dated October 25, 2011

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: October 25, 2011

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated October 25, 2011
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc. dated October 25, 2011

Sonic Automotive, Inc. Reports 39% Increase in Third Quarter Continuing Operations Earnings; Raises Full Year Guidance

CHARLOTTE, N.C. – October 25, 2011 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported that 2011 third quarter earnings from continuing operations were \$0.33 per diluted share compared to \$0.25 per diluted share in the prior year quarter.

Third Quarter 2011 Highlights

- Continuing operations profits up 39%; EPS up 32%
- Total revenues up 13% over prior year quarter. Volume exceeds industry growth.
- New vehicle revenue up 13%; New vehicle volume up 8%
- Used vehicle revenue up 17%; Used volume up 16%; 10th consecutive quarter of double-digit growth
- Parts and Service revenue up 5%.

Business Overview – Strong Top Line Growth Continues

Commenting on the third quarter results, Jeff Dyke, the Company’s EVP of Operations, stated, “We saw continued growth both in the overall industry trends and in Sonic’s third quarter results. New and used vehicle revenue saw double digit growth, which translated into a 39% increase in continuing operations profit compared to the same period last year. Our higher-margin parts and service business continues to increase as we grow our customer base and continue the implementation of operating playbooks in this area.”

Current Outlook – Increasing Full-Year Guidance

Commenting on the business, B. Scott Smith, the Company’s President, said, “The automotive retail industry continued its steady rebound throughout the third quarter. We saw sales volume increase as we progressed through the quarter as a result of the recovery in the Japanese production capability. We expect this momentum to continue into the fourth quarter as these brands return to a normal production cycle.”

Mr. Smith continued, “We continue to target a 2011 industry volume of 12.5 million vehicles. As a result of the growth we’ve seen in our base business through the successful integration of our various operating playbooks and our favorable brand mix, we are increasing our expected 2011 earnings from continuing operations to \$1.33 to \$1.37 per share.”

Presentation materials for the Company’s October 25, 2011 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 “Investor Relations” tab under “Our Company” and choosing “Webcasts & Presentations”.

To access the live broadcast of the call over the Internet go to: 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: (855) 859-2056, International callers dial (404) 537-3406, Conference ID: #16406078.

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to future industry growth trends, recovery of Japanese brands production capacity, EPS targets and future impacts from the implementation of our various operational playbooks. 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 in the markets in which we operate, new and used vehicle sales volume, the success of our operational strategies, the rate and timing of overall economic recovery and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2010 and quarterly report on Form 10-Q for the quarter ending June 30, 2011. 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)

	Third Quarter Ended September 30,	
	2011	2010
Revenues		
New retail vehicles	\$ 1,005,800	\$ 886,355
Fleet vehicles	52,780	51,354
Total new vehicles	1,058,580	937,709
Used vehicles	530,969	453,815
Wholesale vehicles	48,588	47,597
Total vehicles	1,638,137	1,439,121
Parts, service and collision repair	297,951	283,741
Finance, insurance and other	56,761	47,398
Total revenues	1,992,849	1,770,260
Total gross profit	302,924	281,799
SG&A expenses	(238,704)	(226,331)
Impairment charges	(102)	(87)
Depreciation	(10,340)	(8,731)
Operating income	53,778	46,650
Interest expense, floor plan	(4,348)	(5,430)
Interest expense, other, net	(15,116)	(15,226)
Interest expense, non-cash, convertible debt	(1,742)	(1,768)
Interest expense / amortization, non-cash, cash flow swaps	(313)	(1,484)
Other expense, net	(826)	(351)
Income from continuing operations before taxes	31,433	22,391
Provision for income taxes	(12,100)	(8,442)
Income from continuing operations	19,333	13,949
Income (loss) from discontinued operations	68	(964)
Net income	<u>\$ 19,401</u>	<u>\$ 12,985</u>
Diluted:		
Weighted average common shares outstanding	65,517	65,851
Earnings per share from continuing operations	\$ 0.33	\$ 0.25
Loss per share from discontinued operations	—	(0.02)
Earnings per common share	<u>\$ 0.33</u>	<u>\$ 0.23</u>

Gross Margin Data (Continuing Operations):

New retail vehicles	6.6%	6.6%
Fleet vehicles	3.2%	3.1%
Total new vehicles	6.5%	6.4%
Used vehicles	6.6%	7.8%
Total vehicles retailed	6.5%	6.8%
Wholesale vehicles	(4.8%)	(3.1%)
Parts, service and collision repair	48.7%	49.6%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	15.2%	15.9%

SG&A Expenses (Continuing Operations):

Personnel	\$ 139,100	\$ 131,805
Advertising	13,884	12,642
Rent and rent related	30,591	32,365
Other	55,129	49,519
Total	<u>\$ 238,704</u>	<u>\$ 226,331</u>

SG&A Expenses as % of Gross Profit	78.8%	80.3%
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Operating Margin %	2.7%	2.6%
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Unit Data (Continuing Operations):

Retail new units	27,941	25,780
Fleet units	2,047	2,020
Total new units	29,988	27,800
Used units	26,608	22,987
Total units retailed	56,596	50,787
Wholesale units	7,326	7,272

Other Data:

Continuing Operations unit volume percentage changes:		
Retail new units	8.4%	
Fleet units	1.3%	
Total new units	7.9%	
Used units	15.8%	
Total units retailed	11.4%	
Wholesale units	0.7%	

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

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

	Nine Months Ended September 30,	
	2011	2010
Revenues		
New retail vehicles	\$ 2,902,729	\$ 2,463,139
Fleet vehicles	171,869	148,849
Total new vehicles	3,074,598	2,611,988
Used vehicles	1,549,197	1,339,323
Wholesale vehicles	125,428	108,336
Total vehicles	4,749,223	4,059,647
Parts, service and collision repair	889,243	842,697
Finance, insurance and other	162,010	133,607
Total revenues	5,800,476	5,035,951
Total gross profit	903,824	830,153
SG&A expenses	(711,657)	(672,542)
Impairment charges	(160)	(132)
Depreciation	(30,099)	(25,729)
Operating income	161,908	131,750
Interest expense, floor plan	(14,766)	(15,615)
Interest expense, other, net	(45,986)	(48,024)
Interest expense, non-cash, convertible debt	(5,151)	(5,175)
Interest expense / amortization, non-cash, cash flow swaps	(599)	(5,402)
Other expense, net	(736)	(7,522)
Income from continuing operations before taxes	94,670	50,012
Provision for income taxes	(37,395)	(19,905)
Income from continuing operations	57,275	30,107
Loss from discontinued operations	(1,559)	(4,532)
Net income	<u>\$ 55,716</u>	<u>\$ 25,575</u>
Diluted:		
Weighted average common shares outstanding	65,800	65,711
Earnings per share from continuing operations	\$ 0.97	\$ 0.56
Loss per share from discontinued operations	(0.03)	(0.07)
Earnings per common share	<u>\$ 0.94</u>	<u>\$ 0.49</u>

Gross Margin Data (Continuing Operations):

New retail vehicles	6.6%	6.8%
Fleet vehicles	3.2%	2.8%
Total new vehicles	6.4%	6.6%
Used vehicles	7.3%	8.0%
Total vehicles retailed	6.7%	7.1%
Wholesale vehicles	(3.8%)	(3.6%)
Parts, service and collision repair	49.1%	50.0%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	15.6%	16.5%

SG&A Expenses (Continuing Operations):

Personnel	\$ 415,161	\$ 394,505
Advertising	41,197	36,445
Rent and rent related	94,269	97,151
Other	161,030	144,441
Total	<u>\$ 711,657</u>	<u>\$ 672,542</u>

SG&A Expenses as % of Gross Profit	78.7%	81.0%
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Operating Margin %	2.8%	2.6%
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Unit Data (Continuing Operations):

New retail units	83,204	71,809
Fleet units	6,686	6,042
Total new units	89,890	77,851
Used units	78,994	68,861
Total units retailed	168,884	146,712
Wholesale units	19,326	17,627

Other Data:

Continuing Operations unit volume percentage changes:		
New retail units	15.9%	
Fleet units	10.7%	
Total new units	15.5%	
Used units	14.7%	
Total units retailed	15.1%	
Wholesale units	9.6%	

Sonic Automotive, Inc.
Earnings Per Share Reconciliation (Unaudited)
(In thousands, except per share data)

	For the Third Quarter Ended September 30, 2011						
	Weighted Average Shares	Income From Continuing Operations		Income From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings and shares	52,366	\$19,333		\$ 68		\$19,401	
Effect of participating securities:							
Non-vested restricted stock and stock units	—	(253)		—		(253)	
Basic earnings and shares	52,366	\$19,080	\$ 0.36	\$ 68	\$ 0.01	\$19,148	\$ 0.37
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)	12,590	2,366		—		2,366	
Stock compensation plans	561						
Diluted earnings and shares	<u>65,517</u>	<u>\$21,446</u>	<u>\$ 0.33</u>	<u>\$ 68</u>	<u>\$ —</u>	<u>\$21,514</u>	<u>\$ 0.33</u>
	For the Third Quarter Ended September 30, 2010						
	Weighted Average Shares	Income From Continuing Operations		Loss From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings (loss) and shares	52,311	\$13,949		\$ (964)		\$12,985	
Effect of participating securities:							
Non-vested restricted stock and stock units	—	(137)		—		(137)	
Basic earnings (loss) and shares	52,311	\$13,812	\$ 0.26	\$ (964)	\$ (0.01)	\$12,848	\$ 0.25
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)	12,890	2,498		16		2,514	
Stock compensation plans	650						
Diluted earnings (loss) and shares	<u>65,851</u>	<u>\$16,310</u>	<u>\$ 0.25</u>	<u>\$ (948)</u>	<u>\$ (0.02)</u>	<u>\$15,362</u>	<u>\$ 0.23</u>
	For the Nine Months Ended September 30, 2011						
	Weighted Average Shares	Income From Continuing Operations		Loss From Discontinued Operations		Net Income	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Earnings (loss) and shares	52,414	\$57,275		\$(1,559)		\$55,716	
Effect of participating securities:							
Non-vested restricted stock and stock units	—	(744)		—		(744)	
Basic earnings (loss) and shares	52,414	\$56,531	\$ 1.08	\$(1,559)	\$(0.03)	\$54,972	\$ 1.05
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)	12,789	6,970		—		6,970	
Stock compensation plans	597						
Diluted earnings (loss) and shares	<u>65,800</u>	<u>\$63,501</u>	<u>\$ 0.97</u>	<u>\$(1,559)</u>	<u>\$(0.03)</u>	<u>\$61,942</u>	<u>\$ 0.94</u>

	For the Nine Months Ended September 30, 2010						
	Weighted Average Shares	Income		Loss		Net Income	
		From Continuing Operations		From Discontinued Operations		Amount	Per Share Amount
		Amount	Per Share Amount	Amount	Per Share Amount		
Earnings (loss) and shares	52,151	\$30,107		\$(4,532)		\$25,575	
Effect of participating securities:							
Non-vested restricted stock and stock units	—	(295)		—		(295)	
Basic earnings (loss) and shares	52,151	\$29,812	\$ 0.57	\$(4,532)	\$(0.09)	\$25,280	\$ 0.48
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)	12,890	6,709		28		6,737	
Stock compensation plans	670						
Diluted earnings (loss) and shares	<u>65,711</u>	<u>\$36,521</u>	<u>\$ 0.56</u>	<u>\$(4,504)</u>	<u>\$(0.07)</u>	<u>\$32,017</u>	<u>\$ 0.49</u>



Q3 Earnings Review

October 25, 2011

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events, are not historical facts and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. These statements can generally be identified by lead-in words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “foresee”, “may”, “will” and other similar words. Statements that describe our Company’s objectives, plans or goals are also forward-looking statements. Examples of such forward-looking information we may be discussing in this presentation include, without limitation, further implementation of our operational strategies and playbooks, future debt retirement, capital expenditures, operating margins and revenues, inventory levels and new vehicle industry sales volume.

You are cautioned that these forward-looking statements are not guarantees of future performance, involve risks and uncertainties and actual results may differ materially from those projected in the forward-looking statements as a result of various factors. These risks and uncertainties include, among other things, (a) economic conditions in the markets in which we operate, (b) the success of our operational strategies, (c) our relationships with the automobile manufacturers and (d) new and used vehicle sales volume. These risks and uncertainties, as well as additional factors that could affect our forward-looking statements, are described in our Form 10-K for the year ending December 31, 2010 and our Form 10-Q for period ended June 30, 2011.

These forward-looking statements, risks, uncertainties and additional factors speak only as of the date of this presentation. We undertake no obligation to update any such statements.

Sonic Automotive Q3 2011

- **Quarter in Review**
- **Financial Results**
- **Operations Recap**
- **Summary and Outlook**

Overall Results

- **Grow the base business**
 - ❖ Revenues up 13%
 - ❖ New vehicle revenue up 13%; Volume exceeds industry growth
 - ❖ Used revenue up 17%
 - ❖ F&I revenue up 20%
 - ❖ Fixed Operations revenue up 5%
- **SG&A to Gross declined to 78.8%**
- **Income from continuing operations up 39%**
- **Q3 2011 diluted EPS from continuing operations was \$0.33 per share vs \$0.25 in prior year period**

Third Quarter Results

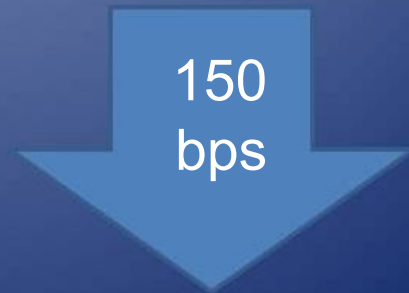
- Focus on base business is driving growth
- Double-digit revenue growth continues
- J3 increasing vehicle shipments

	Q3 2011	B/(W) than Q3 2010	
<i>(amounts in millions, except per share data)</i>		\$	%
Revenue	\$ 1,993	\$ 223	13%
Gross Profit	\$ 303	\$ 21	7%
Operating Profit	\$ 54	\$ 7	15%
Interest & Other	\$ 22	\$ 2	8%
Continuing Ops:			
Profit (after tax)	\$ 19	\$ 5	39%
Diluted EPS	\$ 0.33	\$ 0.08	32%
SG&A as % of Gross	78.8%	150 bps	

SG&A

<i>(amounts in millions)</i>	Q3 2011		Q3 2010	
	\$	% of Gross	\$	% of Gross
Gross Profit	\$ 303		\$ 282	
SG&A :				
Advertising	\$ 14	4.6%	\$ 13	4.5%
Compensation	139	45.9%	132	46.8%
Rent & Related	31	10.1%	32	11.5%
Other	55	18.2%	49	17.5%
SG&A Total	\$ 239	78.8%	\$ 226	80.3%

- Continue to drive YOY SG&A to Gross % down
- Controlling expenses and higher gross generation

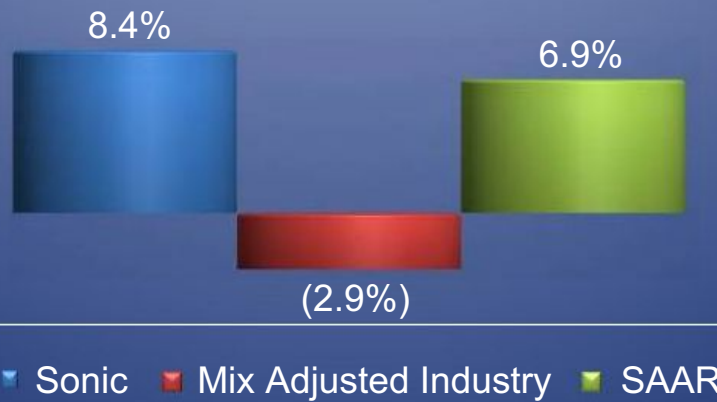


Capital Spending

<i>(amounts in millions)</i>	YTD Q3 2011	Expected Q4 2011	Estimated 2011
Real Estate Acquisitions	\$ 80	\$ 11	\$ 91
All Other Cap Ex	<u>56</u>	<u>6</u>	<u>62</u>
Subtotal	\$ 136	\$ 17	\$153
Less: Mortgage Funding	<u>(54)</u>	<u>(15)</u>	<u>(69)</u>
Total Cash Used – Cap Ex	<u>\$ 82</u>	<u>\$ 2</u>	<u>\$ 84</u>

New Retail Vehicles

	Q3 2011	Q3 2010	B/(W)
Volume	27,941	25,780	8.4%
Selling Price	\$ 35,997	\$ 34,381	4.7%
Gross Margin %	6.6%	6.6%	0 bps
GPU	\$ 2,391	\$2,267	\$124
Gross Profit	\$ 67 million	\$ 58 million	14.3%



Used Retail Vehicles

	Q3 2011	Q3 2010	B/(W)
Retail Volume	26,608	22,987	15.8%
Used Related Gross*	\$ 78 million	\$ 71 million	\$ 7 million
Used to New Ratio	.95 to 1	.89 to 1	

* - Includes: used gross + used reconditioning gross + used F&I gross

YOY Unit Volume Change

**10 Consecutive
Quarters of
Double-Digit
Volume Growth**



Fixed Operations

- ❑ Customer pay up 4%
- ❑ Overall gross profit up 3%
- ❑ Increase in wholesale parts activity pressured margin rate



Summary

- ❑ **Base business continues to grow**
 - **New vehicle market share continues to increase**
 - **Used retail vehicle volume continues to grow at double-digit rate**
- ❑ **Automotive retail industry continues its steady recovery**
 - **Forecasting a 12.5 – 12.7 million SAAR**
 - **Expect Japanese brands to continue improvement in Q4**
- ❑ **Increasing continuing operations earnings estimate to \$1.33 - \$1.37 per share for FY 2011**

SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – October 25, 2011 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that its Board of Directors approved a quarterly dividend of \$0.025 per share payable in cash for shareholders of record on December 15, 2011. The dividend will be payable January 15, 2012.

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. 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 risk and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions in the markets in which we operate, new and used vehicle sales volume, the success of our operational strategies, the rate and timing of overall economic recovery and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2010 and quarterly report on Form 10-Q for the quarter ending June 30, 2011. The Company does not undertake any obligation to update forward-looking information.