
**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 21, 2013

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))
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Item 2.02. Results of Operations and Financial Condition.

On October 21, 2013, we issued a press release announcing certain financial results for our fiscal quarter ended September 30, 2013.

A copy of the press release is attached hereto as Exhibit 99.1. A copy of the presentation materials for our conference call scheduled for Monday, October 21, 2013 at 10:00 am Eastern Time are attached hereto as Exhibit 99.2.

Item 7.01. Regulation FD Disclosure.

On October 21, 2013, 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.

On October 21, 2013, we also issued a press release announcing our intent to open pre-owned specialty retail sales locations and our “One Sonic One Experience” initiative. A copy of the press release is attached hereto as Exhibit 99.4.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc. dated October 21, 2013

99.2 Presentation materials

99.3 Press release of Sonic Automotive, Inc. dated October 21, 2013

99.4 Press release of Sonic Automotive, Inc. dated October 21, 2013

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 21, 2013

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated October 21, 2013
99.2	Presentation materials
99.3	Press release of Sonic Automotive, Inc. dated October 21, 2013
99.4	Press release of Sonic Automotive, Inc. dated October 21, 2013

Sonic Automotive, Inc. Reports Record Breaking 3rd Quarter Across All Operating Sectors As The “True Price” Strategy Takes Hold

CHARLOTTE, N.C. – October 21, 2013 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported the highlights in the list below related to its performance in the quarter ended September 30, 2013. During this quarter, Sonic identified a tax gain related to the extinguishment of its 5% Convertible Senior Notes in 2011 and 2012. Sonic is evaluating the effects this gain may have over prior periods. Once this evaluation is completed, Sonic will issue an additional release reporting net income and earnings per share amounts for the quarter.

Q3 2013 Highlights

- Total revenue up 5.4% compared to the prior year quarter
- New revenue increased \$65.4 million, or 5.5%, over prior year quarter
- Pre-owned revenue increased \$31.9 million, or 6.0%, over prior year quarter
- All-time 3rd quarter record retailing 34,087 new units (excludes fleet)
- All-time record retailing 27,632 pre-owned units
- Pre-owned average quarterly volume per store per month at a record level - 91 units
- Q3 record fixed operations gross profit of \$149.1 million, up \$8.6 million, or 6.1%, compared to the prior year quarter
- Q3 record finance and insurance gross profit of \$68.7 million, up 6.8%, and profit per retail unit of \$1,114
- SG&A to gross profit % was 78.1%; adjusted for customer experience, pre-owned and SOX remediation costs discussed below amount was 76.7%
- Acquired two luxury dealerships in Denver, CO

B. Scott Smith, the Company’s President, noted, “I’m very proud of our team’s record-setting performance during the quarter and despite the additional costs experienced as we continue our growth initiatives, we were able to deliver growth in our operating metrics compared to the third quarter last year. In addition, we closed on the acquisition of Murray Mercedes Benz of Denver and Murray BMW of Denver, which we expect will generate combined annual revenues of approximately \$200.0 million. These stores will augment our existing platform in Denver, and our acquisition of these stores, along with our plans to open stand-alone pre-owned sales operations, demonstrates our commitment to the Denver market.”

“Based on our year-to-date performance and internal forecasts, we are updating our targeted guidance range for adjusted earnings per share from previously announced amounts. We are targeting adjusted fully diluted earnings per share from continuing operations at \$1.96-\$2.03 for the full year 2013. This update reflects a tightening of our guidance range as we feel comfortable that we will be at the upper end of our original guidance of \$1.93 to \$2.03.

The Company’s EVP of Operations, Jeff Dyke, commented, “It’s exciting to see the progress we made this quarter. As announced today under separate cover, we will begin our One Sonic-One Experience launch in mid-2014. True Price is an important part of this launch. We have noted in the past that it would take some time for the True Price process to settle into our culture and we are finally beginning to see margins improving along with record breaking unit volumes. While we still have a long way to go, I am encouraged by this quarter’s results as we work toward improving even more in Q4. Overall, we had record breaking performances across New, Pre Owned, Fixed and F&I so I could not be more pleased with our results and the efforts of this team as we work toward our One Sonic-One Experience launch.”

For further discussion of our pre-owned and One Sonic-One Experience initiatives, see our separate release dated today.

Third Quarter Operations Review Conference Call

Senior management will host a conference call today at 10:00 A.M. (Eastern) to discuss the quarter’s operations. To access the live broadcast of the call over the Internet go to: www.sonicautomotive.com, then click on “Our Company”, then “Investor Relations”, then “Earnings Conference Calls”.

Presentation materials for the conference call 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”.

The conference call will also be available live by dialing in 10 minutes prior to the start of the call at:

Domestic: 1.877.441.0824
International: 1.706.643.0958

A conference call replay will be available one hour following the call for seven days and can be accessed by calling:

Domestic: 1.855.859.2056
International: 1.404.537.3406

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 anticipated growth in used vehicle sales, targeted adjusted earnings per share for the year ended December 31, 2013, an anticipated tax

benefit and anticipated future success and impacts from the implementation of our strategic initiatives. 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 industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2012 and quarterly report on Form 10-Q for the period ended June 30, 2013. The Company does not undertake any obligation to update forward-looking information.

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Sonic Automotive, Inc.
Results of Operations (Unaudited)
(dollars in thousands)

	Third Quarter Ended September 30, 2013	Third Quarter Ended September 30, 2012
Revenues:		
New retail vehicles	\$ 1,219,525	\$ 1,158,524
Fleet vehicles	41,745	37,302
Total new vehicles	1,261,270	1,195,826
Used vehicles	559,848	527,914
Wholesale vehicles	42,731	52,280
Total vehicles	1,863,849	1,776,020
Parts, service and collision repair	309,600	287,311
Finance, insurance and other	68,747	64,390
Total revenues	2,242,196	2,127,721
Gross profit	326,081	304,428
Selling, general and administrative expenses	(254,564)	(235,328)
Impairment charges	(18)	(23)
Depreciation and amortization	(13,744)	(11,295)
Operating income (loss)	<u>\$ 57,755</u>	<u>\$ 57,782</u>
Gross Margin Data (Continuing Operations):		
New retail vehicles	5.9%	5.7%
Fleet vehicles	2.5%	2.5%
Total new vehicles	5.7%	5.6%
Used vehicles	7.0%	6.7%
Wholesale vehicles	(7.5%)	(6.5%)
Parts, service and collision repair	48.2%	48.9%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	14.5%	14.3%
SG&A Expenses (Continuing Operations):		
Compensation	\$ 151,683	\$ 140,771
Advertising	14,132	12,498
Rent	18,901	18,619
Other	69,848	63,440
Total SG&A expenses	\$ 254,564	\$ 235,328
SG&A expenses as % of gross profit	78.1%	77.3%
Operating Margin %	2.6%	2.7%
Unit Data (Continuing Operations):		
New retail units	34,087	33,264
Fleet units	1,451	1,325
Total new units	35,538	34,589
Used units	27,632	26,610
Wholesale units	7,641	8,931

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(dollars in thousands)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Revenues:		
New retail vehicles	\$ 3,520,343	\$ 3,286,285
Fleet vehicles	<u>131,143</u>	<u>126,585</u>
Total new vehicles	3,651,486	3,412,870
Used vehicles	1,625,006	1,564,414
Wholesale vehicles	<u>134,556</u>	<u>138,506</u>
Total vehicles	5,411,048	5,115,790
Parts, service and collision repair	913,290	875,206
Finance, insurance and other	<u>203,461</u>	<u>185,737</u>
Total revenues	6,527,799	6,176,733
Gross profit	962,907	921,034
Selling, general and administrative expenses	(748,479)	(712,228)
Impairment charges	(69)	(57)
Depreciation and amortization	<u>(39,020)</u>	<u>(33,399)</u>
Operating income (loss)	<u>\$ 175,339</u>	<u>\$ 175,350</u>
Gross Margin Data (Continuing Operations):		
New retail vehicles	5.8%	6.0%
Fleet vehicles	2.7%	2.9%
Total new vehicles	5.7%	5.9%
Used vehicles	7.1%	7.1%
Wholesale vehicles	(4.7%)	(3.2%)
Parts, service and collision repair	48.7%	48.9%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	14.8%	14.9%
SG&A Expenses (Continuing Operations):		
Compensation	\$ 449,791	\$ 426,463
Advertising	41,282	37,107
Rent	56,344	57,198
Other	<u>201,062</u>	<u>191,460</u>
Total SG&A expenses	\$ 748,479	\$ 712,228
SG&A expenses as % of gross profit	77.7%	77.3%
Operating Margin %	2.7%	2.8%
Unit Data (Continuing Operations):		
New retail units	98,362	94,869
Fleet units	<u>4,661</u>	<u>4,616</u>
Total new units	103,023	99,485
Used units	80,700	78,613
Wholesale units	23,291	23,736

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands, except units and per unit data)

New Vehicles

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue	\$ 1,261,270	\$ 1,195,826	\$ 65,444	5.5%
Gross profit	\$ 72,408	\$ 67,312	\$ 5,096	7.6%
Unit sales	35,538	34,589	949	2.7%
Revenue per unit	\$ 35,491	\$ 34,572	\$ 919	2.7%
Gross profit per unit	\$ 2,037	\$ 1,946	\$ 91	4.7%
Gross profit as a % of revenue	5.7%	5.6%	10	bps

	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue	\$ 3,651,486	\$ 3,412,870	\$238,616	7.0%
Gross profit	\$ 206,668	\$ 200,968	\$ 5,700	2.8%
Unit sales	103,023	99,485	3,538	3.6%
Revenue per unit	\$ 35,443	\$ 34,305	\$ 1,138	3.3%
Gross profit per unit	\$ 2,006	\$ 2,020	\$ (14)	(0.7%)
Gross profit as a % of revenue	5.7%	5.9%	(20)	bps

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue	\$ 1,251,683	\$ 1,195,826	\$ 55,857	4.7%
Gross profit	\$ 71,605	\$ 67,443	\$ 4,162	6.2%
Unit sales	35,364	34,589	775	2.2%
Revenue per unit	\$ 35,394	\$ 34,572	\$ 822	2.4%
Gross profit per unit	\$ 2,025	\$ 1,950	\$ 75	3.8%
Gross profit as a % of revenue	5.7%	5.6%	10	bps

	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue	\$ 3,641,900	\$ 3,412,870	\$229,030	6.7%
Gross profit	\$ 205,894	\$ 201,687	\$ 4,207	2.1%
Unit sales	102,849	99,485	3,364	3.4%
Revenue per unit	\$ 35,410	\$ 34,305	\$ 1,105	3.2%
Gross profit per unit	\$ 2,002	\$ 2,027	\$ (25)	(1.2%)
Gross profit as a % of revenue	5.7%	5.9%	(20)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands, except units and per unit data)

Used Vehicles

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue	\$ 559,848	\$ 527,914	\$31,934	6.0%
Gross profit	\$ 38,976	\$ 35,562	\$ 3,414	9.6%
Unit sales	27,632	26,610	1,022	3.8%
Revenue per unit	\$ 20,261	\$ 19,839	\$ 422	2.1%
Gross profit per unit	\$ 1,411	\$ 1,336	\$ 75	5.6%
Gross profit as a % of revenue	7.0%	6.7%	30	bps

	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue	\$ 1,625,006	\$ 1,564,414	\$60,592	3.9%
Gross profit	\$ 114,615	\$ 110,679	\$ 3,936	3.6%
Unit sales	80,700	78,613	2,087	2.7%
Revenue per unit	\$ 20,136	\$ 19,900	\$ 236	1.2%
Gross profit per unit	\$ 1,420	\$ 1,408	\$ 12	0.9%
Gross profit as a % of revenue	7.1%	7.1%	0	bps

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue	\$ 554,361	\$ 527,914	\$26,447	5.0%
Gross profit	\$ 38,587	\$ 34,074	\$ 4,513	13.2%
Unit sales	27,444	26,610	834	3.1%
Revenue per unit	\$ 20,200	\$ 19,839	\$ 361	1.8%
Gross profit per unit	\$ 1,406	\$ 1,280	\$ 126	9.8%
Gross profit as a % of revenue	7.0%	6.5%	50	bps

	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue	\$ 1,619,519	\$ 1,564,414	\$55,105	3.5%
Gross profit	\$ 114,104	\$ 109,984	\$ 4,120	3.7%
Unit sales	80,512	78,613	1,899	2.4%
Revenue per unit	\$ 20,115	\$ 19,900	\$ 215	1.1%
Gross profit per unit	\$ 1,417	\$ 1,399	\$ 18	1.3%
Gross profit as a % of revenue	7.0%	7.0%	0	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands, except units and per unit data)

Wholesale Vehicles

	Third Quarter Ended September 30,		Better / (Worse)	
	2013	2012	Change	% Change
Reported:				
Revenue	\$ 42,731	\$ 52,280	\$(9,549)	(18.3%)
Gross profit (loss)	\$ (3,197)	\$ (3,394)	\$ 197	5.8%
Unit sales	7,641	8,931	(1,290)	(14.4%)
Revenue per unit	\$ 5,592	\$ 5,854	\$ (262)	(4.5%)
Gross profit (loss) per unit	\$ (418)	\$ (380)	\$ (38)	(10.0%)
Gross profit (loss) as a % of revenue	(7.5%)	(6.5%)	(100)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2013	2012	Change	% Change
Reported:				
Revenue	\$ 134,556	\$ 138,506	\$(3,950)	(2.9%)
Gross profit (loss)	\$ (6,343)	\$ (4,399)	\$(1,944)	(44.2%)
Unit sales	23,291	23,736	(445)	(1.9%)
Revenue per unit	\$ 5,777	\$ 5,835	\$ (58)	(1.0%)
Gross profit (loss) per unit	\$ (272)	\$ (185)	\$ (87)	(47.0%)
Gross profit (loss) as a % of revenue	(4.7%)	(3.2%)	(150)	bps

	Third Quarter Ended September 30,		Better / (Worse)	
	2013	2012	Change	% Change
Same Store:				
Revenue	\$ 42,433	\$ 52,280	\$(9,847)	(18.8%)
Gross loss	\$ (3,191)	\$ (3,394)	\$ 203	6.0%
Unit sales	7,612	8,931	(1,319)	(14.8%)
Revenue per unit	\$ 5,574	\$ 5,854	\$ (280)	(4.8%)
Gross loss per unit	\$ (419)	\$ (380)	\$ (39)	(10.3%)
Gross loss as a % of revenue	(7.5%)	(6.5%)	(100)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2013	2012	Change	% Change
Same Store:				
Revenue	\$ 134,257	\$ 138,506	\$(4,249)	(3.1%)
Gross loss	\$ (6,336)	\$ (4,399)	\$(1,937)	(44.0%)
Unit sales	23,262	23,736	(474)	(2.0%)
Revenue per unit	\$ 5,772	\$ 5,835	\$ (63)	(1.1%)
Gross loss per unit	\$ (272)	\$ (185)	\$ (87)	(47.0%)
Gross loss as a % of revenue	(4.7%)	(3.2%)	(150)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands)

Parts, Service and Collision Repair ("Fixed Operations")

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue				
Customer Pay	\$ 137,106	\$ 131,126	\$ 5,980	4.6%
Warranty	45,405	40,632	4,773	11.7%
Wholesale Parts	43,349	37,720	5,629	14.9%
Internal, Sublet & Other	83,740	77,833	5,907	7.6%
Total	<u>\$ 309,600</u>	<u>\$ 287,311</u>	<u>\$ 22,289</u>	<u>7.8%</u>
Gross profit				
Customer Pay	\$ 75,203	\$ 71,939	\$ 3,264	4.5%
Warranty	24,374	21,225	3,149	14.8%
Wholesale Parts	7,881	7,249	632	8.7%
Internal, Sublet & Other	41,689	40,145	1,544	3.8%
Total	<u>\$ 149,147</u>	<u>\$ 140,558</u>	<u>\$ 8,589</u>	<u>6.1%</u>
Gross profit as a % of revenue				
Customer Pay	54.9%	54.9%	0	bps
Warranty	53.7%	52.2%	150	bps
Wholesale Parts	18.2%	19.2%	(100)	bps
Internal, Sublet & Other	49.8%	51.6%	(180)	bps
Total	48.2%	48.9%	(70)	bps
	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue				
Customer Pay	\$ 407,252	\$ 395,080	\$12,172	3.1%
Warranty	137,489	126,343	11,146	8.8%
Wholesale Parts	124,870	115,545	9,325	8.1%
Internal, Sublet & Other	243,679	238,238	5,441	2.3%
Total	<u>\$ 913,290</u>	<u>\$ 875,206</u>	<u>\$38,084</u>	<u>4.4%</u>
Gross profit				
Customer Pay	\$ 224,485	\$ 217,840	\$ 6,645	3.1%
Warranty	74,657	66,315	8,342	12.6%
Wholesale Parts	23,158	22,250	908	4.1%
Internal, Sublet & Other	122,206	121,644	562	0.5%
Total	<u>\$ 444,506</u>	<u>\$ 428,049</u>	<u>\$16,457</u>	<u>3.8%</u>
Gross profit as a % of revenue				
Customer Pay	55.1%	55.1%	0	bps
Warranty	54.3%	52.5%	180	bps
Wholesale Parts	18.5%	19.3%	(80)	bps
Internal, Sublet & Other	50.2%	51.1%	(90)	bps
Total	48.7%	48.9%	(20)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands)

Parts, Service and Collision Repair ("Fixed Operations")

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue				
Customer Pay	\$ 134,642	\$ 131,126	\$ 3,516	2.7%
Warranty	44,571	40,632	3,939	9.7%
Wholesale Parts	42,695	37,720	4,975	13.2%
Internal, Sublet & Other	82,898	77,833	5,065	6.5%
Total	<u>\$ 304,806</u>	<u>\$ 287,311</u>	<u>\$17,495</u>	<u>6.1%</u>
Gross profit				
Customer Pay	\$ 73,885	\$ 71,939	\$ 1,946	2.7%
Warranty	23,918	21,225	2,693	12.7%
Wholesale Parts	7,717	7,249	468	6.5%
Internal, Sublet & Other	41,037	39,836	1,201	3.0%
Total	<u>\$ 146,557</u>	<u>\$ 140,249</u>	<u>\$ 6,308</u>	<u>4.5%</u>
Gross profit as a % of revenue				
Customer Pay	54.9%	54.9%	0	bps
Warranty	53.7%	52.2%	150	bps
Wholesale Parts	18.1%	19.2%	(110)	bps
Internal, Sublet & Other	49.5%	51.2%	(170)	bps
Total	48.1%	48.8%	(70)	bps
	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue				
Customer Pay	\$ 404,788	\$ 395,080	\$ 9,708	2.5%
Warranty	136,655	126,343	10,312	8.2%
Wholesale Parts	124,216	115,545	8,671	7.5%
Internal, Sublet & Other	242,836	238,238	4,598	1.9%
Total	<u>\$ 908,495</u>	<u>\$ 875,206</u>	<u>\$33,289</u>	<u>3.8%</u>
Gross profit				
Customer Pay	\$ 223,166	\$ 217,840	\$ 5,326	2.4%
Warranty	74,511	66,315	8,196	12.4%
Wholesale Parts	22,995	22,250	745	3.3%
Internal, Sublet & Other	121,261	120,986	275	0.2%
Total	<u>\$ 441,933</u>	<u>\$ 427,391</u>	<u>\$14,542</u>	<u>3.4%</u>
Gross profit as a % of revenue				
Customer Pay	55.1%	55.1%	0	bps
Warranty	54.5%	52.5%	200	bps
Wholesale Parts	18.5%	19.3%	(80)	bps
Internal, Sublet & Other	49.9%	50.8%	(90)	bps
Total	48.6%	48.8%	(20)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands, except per unit data)

Finance, Insurance and Other ("F&I")

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue	\$ 68,747	\$ 64,390	\$ 4,357	6.8%
Gross profit per retail unit (excludes fleet)	\$ 1,114	\$ 1,075	\$ 39	3.6%

	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Reported:				
Revenue	\$ 203,461	\$ 185,737	\$17,724	9.5%
Gross profit per retail unit (excludes fleet)	\$ 1,136	\$ 1,071	\$ 65	6.1%

	<u>Third Quarter Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue	\$ 68,267	\$ 64,240	\$ 4,027	6.3%
Gross profit per retail unit (excluding fleet)	\$ 1,113	\$ 1,073	\$ 40	3.7%

	<u>Nine Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Same Store:				
Revenue	\$ 202,996	\$ 185,081	\$17,915	9.7%
Gross profit per retail unit (excluding fleet)	\$ 1,136	\$ 1,067	\$ 69	6.5%

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(In thousands)

Selling, General and Administrative ("SG&A") Expenses

	Third Quarter Ended September 30,		Better / (Worse)	
	2013	2012	Change	% Change
Compensation	\$ 151,683	\$ 140,771	\$(10,912)	(7.8%)
Advertising	14,132	12,498	(1,634)	(13.1%)
Rent	18,901	18,619	(282)	(1.5%)
Other	69,848	63,440	(6,408)	(10.1%)
Total	<u>\$254,564</u>	<u>\$235,328</u>	<u>\$(19,236)</u>	<u>(8.2%)</u>

SG&A as a % of gross profit

Compensation	46.5%	46.2%	(30)	bps
Advertising	4.3%	4.1%	(20)	bps
Rent	5.8%	6.1%	30	bps
Other	21.5%	20.9%	(60)	bps
Total	78.1%	77.3%	(80)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2013	2012	Change	% Change
Compensation	\$449,791	\$426,463	\$(23,328)	(5.5%)
Advertising	41,282	37,107	(4,175)	(11.3%)
Rent	56,344	57,198	854	1.5%
Other	201,062	191,460	(9,602)	(5.0%)
Total	<u>\$748,479</u>	<u>\$712,228</u>	<u>\$(36,251)</u>	<u>(5.1%)</u>

SG&A as a % of gross profit

Compensation	46.7%	46.3%	(40)	bps
Advertising	4.3%	4.0%	(30)	bps
Rent	5.9%	6.2%	30	bps
Other	20.8%	20.8%	(0)	bps
Total	77.7%	77.3%	(40)	bps



Q3 2013 Operations Review

October 21, 2013

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 pre-owned 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, 2012.

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.

Contents

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

As we disclosed in Sonic's press release issued earlier this morning, Sonic is currently in the process of evaluating the impact of a positive tax gain relating to the extinguishment of Sonic's 5% Convertible Senior Notes in 2011 and 2012, including the allocation of this gain, if any, over prior reporting periods. Once this process is completed, Sonic will issue a new press release disclosing Net Income and Earnings Per Share amounts for the third quarter of 2013. Accordingly, please understand that management will refrain from answering any questions on this conference call related to Net Income, EPS or any other metrics that may be affected by the final calculation and allocation of this tax gain.

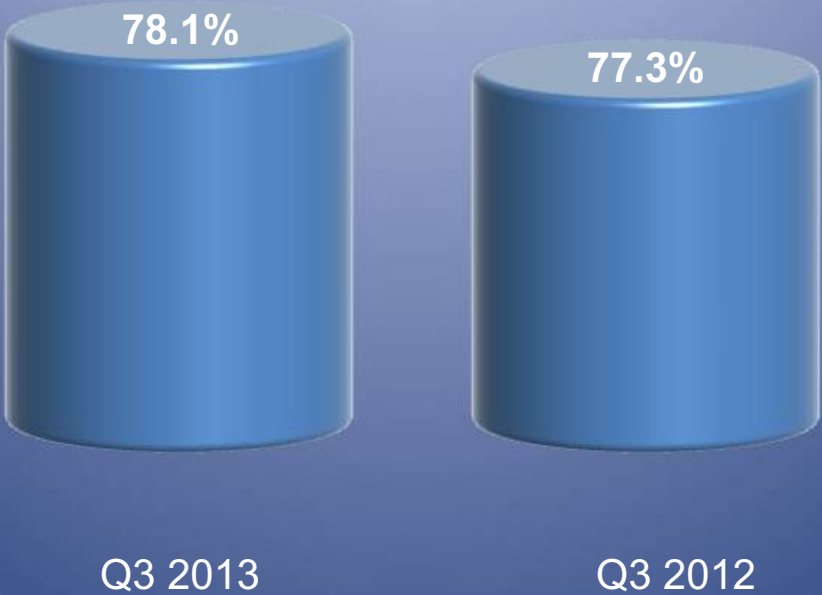
Overall Results

- Revenue Growth – Up 5.4%
 - ❖ New retail revenue up 5.3% - volume up 2.5%
 - ❖ Used unit volume up 3.8%
 - ❖ F&I revenue up 6.8%
 - ❖ Fixed operations revenue up 7.8%
- Gross Profit Growth – Up 7.1%
- SG&A at 78.1% - Includes Initiative Expenses

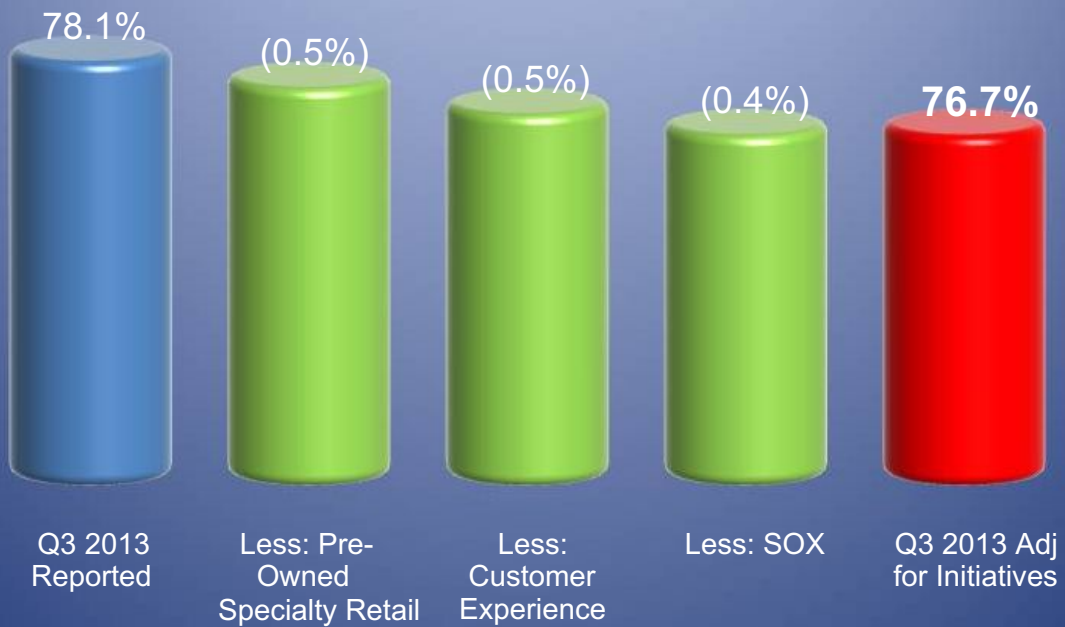
Q3 2013 Results

		B/(W) than Q3 2012	
<i>(amounts in millions, except per share data)</i>	<u>Q3 2013</u>	\$	%
Revenue	\$ 2,242	\$ 114	5%
Gross Profit	\$ 326	\$ 22	7%
Operating Profit	\$ 58	\$ 0	0%
SG&A as % of Gross	78.1%	(80 bps)	

SG&A to Gross



SG&A to Gross



Targeting Below 77% for the Full Year – Adjusted for Initiatives

Capital Spending

<i>(amounts in millions)</i>	YTD 2013	Estimated 2013
Real Estate Acquisitions	\$ 46.8	\$ 66.4
All Other Cap Ex	<u>80.7</u>	<u>104.6</u>
Subtotal	\$ 127.5	\$ 171.0
Less: Mortgage Funding	<u>(53.7)</u>	<u>(53.7)</u>
Total Cash Used – Cap Ex	<u>\$ 73.8</u>	<u>\$ 117.3</u>

Note – Spending excludes the effect of franchise acquisitions.

Debt Covenants

	Covenant	Actual Q3 2013
Liquidity Ratio	≥ 1.05	1.15
Fixed Charge Coverage Ratio	≥ 1.20	1.74
Total Lease Adjusted Leverage Ratio	≤ 5.50	4.07

Compliant with all Covenants

Share Repurchases

<i>(shares in thousands)</i>	Shares	Average Price
YTD Q3 2013 Activity	642	\$22.56

Unused authorization of approximately \$135.1 million

New Retail Vehicles

	Q3 2013	Q3 2012	B/(W)
Volume	34,087	33,264	2.5%
Selling Price	\$ 35,777	\$ 34,828	2.7%
Gross Margin %	5.9%	5.7%	20 bps
GPU	\$ 2,094	\$ 1,995	\$ 99
Gross Profit	\$ 71 million	\$ 66 million	7.5%
SAAR <i>(includes fleet)</i>	15.6 million	14.4 million	8.3%

Used Retail Vehicles

	Q3 2013	Q3 2012	B/(W)
Retail Volume	27,632	26,610	3.8%
Used Retail GPU	\$ 1,411	\$ 1,336	\$ 74
Used Related Retail Gross*	\$ 86 million	\$ 80 million	\$ 6 million
Used to New	0.81 : 1	0.80 : 1	0.01
Vehicles / store / month	91	89	2

* - Includes front-end gross plus F&I related gross and fixed operations related gross

Fixed Operations

		B/(W) than Q3 2012	
<i>(amounts in millions)</i>	<u>Q3 2013</u>	\$	%
Revenue	\$ 310	\$ 22	7.8%
Gross Profit	\$ 149	\$ 9	6.1%

QTD YOY Gross Profit Change Breakdown:

- Customer Pay Up 4.5%
- Whsl. Parts Up 8.7%
- Internal & Sublet Up 6.7%
- Warranty Up 14.8%

ONE SONIC EXPERIENCE.

- SCORES (CRM)
- CX Electronic Leads Template Updates
- E-Sales Process Alignment
- eLead Call Center Updates
- Sales Process Application Development
 - Showroom Application
 - Desking
 - SIMS Upgrade
 - Paperless
 - New Vehicle Delivery Process
 - F&I
- Service Advisor Walk-Around Alignment
- Point of Purchase Materials
- CX CRM Communications
- True Price Brand Positioning with Sonic Brand
- Loyalty Program
- Garage Application / Customer Information Portal
- Soft Customer Experience Elements
- Web User Experience Updates
- Social Media
- Public Relations
- Internal Communications Strategy/ Associate Communication Adoption Plan
- Pay Plan Alterations
- Network Enhancements at Store Level
- Playbook Updates
- Sonic Brand Training
- Fully Integrated Training
- Sonic Retail Branding
- CX Advertising Launch



Pre-Owned Specialty Retail

COMING SOON!!

Summary

- ❑ Effects of True Price normalized
- ❑ Inventory positioned for successful Q4
- ❑ Added to revenue base with Mercedes and BMW acquisitions
- ❑ Pre-owned specialty retail concept leverages one of our core competencies
- ❑ Expect “One Sonic-One Experience” to create a competitive advantage
- ❑ Tighten annual guidance for adjusted diluted EPS from continuing operations of \$1.96 to \$2.03



SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – October 21, 2013 – 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 stockholders of record on December 13, 2013. The dividend will be payable on January 15, 2014.

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, 2012. The Company does not undertake any obligation to update forward-looking information.

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Sonic Automotive, Inc. Announces “One Sonic-One Experience” Initiative and Plans to Open Pre-Owned Specialty Retail Stores

CHARLOTTE, N.C. – October 21, 2013 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, announced two major initiatives today. Sonic has been investing in changing its dealership level culture and investing significantly in the development of a revolutionary shopping and buying customer experience for its dealerships. The roll-out of this innovative guest experience and the sub-branding of Sonic Automotive will begin in mid-2014. In addition, after years of strategic planning, investment in IT infrastructure, business enterprise and consumer facing application development, and investments in training, Sonic plans to augment its OEM franchised dealership operations with stand-alone pre-owned specialty retail sales locations. This pre-owned business will operate independently from the existing new and pre-owned dealership sales operations and introduce consumers to an exciting shopping and buying experience. The first target market is planned for Denver, Colorado and will open in late 2014.

“One Sonic-One Experience” Initiative

Sonic has been developing a new and exciting guest experience initiative, “One Sonic-One Experience”, since 2007 and is finally ready to start implementation in the second half of 2014. This experience will be new to the industry and includes several new proprietary technologies from inventory management and pricing tools to a fully developed “customer-centric” Customer Relationship Management (CRM) tool.

Scott Smith stated “We are very excited to deliver the One Sonic-One Experience initiative to our guests. We are confident that, once our guests experience the difference between how vehicles are sold and serviced today versus Sonic’s new experience, One Sonic-One Experience will be a significant consideration in the consumer’s selection process. Our new guest experience puts the guest in charge. Our guests will find upgraded, Sonic Automotive sub-branded facilities that support our manufacturer partner brands. They will find state-of-the-art technologies, paperless environments, and helpful associates that are paid to execute and deliver an experience unparalleled in the auto retail industry. Our technologies will allow our guest advocates to complete the buying transaction through one individual – gone will be the days of back and forth negotiations, and waiting lines for appraisals, F&I and deliveries. Our goal is to allow the guest to control the process and move at their pace so that once the vehicle has been selected our team can go to work using these processes and technologies to get our guest on the road in their new vehicle in less than 45 minutes. The level of investment, time and dedication that it took us to get to this point has been significant. We have invested more than \$45.0 million over the last 4 years preparing for these announcements and we are very excited to launch. Our investment in these initiatives will not only benefit the new, pre-owned and F&I revenue streams, but will enhance our highly profitable fixed operations business.”

Jeff Dyke, added, “I’m thrilled with the result of the effort to get to this point in our company’s history. While the technology, playbook processes and training took years to develop, the real heavy lifting

came through a major change in the culture of this company. I am very glad that we are finally on the other side of that journey. I could not be more proud of the team that we have in place today. This team is ready and will deliver a guest experience never seen before in our industry.”

The following link contains a video that describes the experience we are creating for our guests:

<http://www.media-server.com/m/p/q39awhu9>

Pre-Owned Specialty Retail

Sonic has demonstrated over the last 8 years its ability to grow its pre-owned retail sales within its OEM franchised stores as the average number of vehicles sold per store per month rose from 42 in 2005 to nearly 100 per store per month in 2013. Sonic’s successful growth in pre-owned retail sales is the result of years of developing and implementing scalable processes and technologies that are predictable, repeatable and sustainable. Sonic’s development of its proprietary Sonic Inventory Management System (“SIMS”) is an example of only one of the technologies created over the last several years. This technology, and the processes surrounding it, allow for the procurement, appraisal, placement and pricing of inventory units that will be the foundation of these pre-owned sales operations.

Scott Smith, Sonic’s President and Co-Founder, stated, “We have been preparing for this moment over the last several years and are excited to be in a position to share our plans. In particular, we are confident that our new model will not only enhance the value of the business for our stockholders and associates, but it will deliver an experience not yet seen in retail automotive. It is an exciting time, and especially in the pre-owned market, which is roughly three times as big as the new retail market. Approximately 41 million pre-owned sales occur in the United States annually compared to a current annual sales rate of 15.4 million for new units. We believe the buying experience we will be offering will differentiate us from others in the retail automotive space.”

Jeff Dyke, the company’s Executive Vice President of Retail Operations, added, “It’s no secret that the pre-owned opportunity in the United States is tremendous. As Scott commented, the secret is how to actually make the opportunity in the pre-owned industry payoff for investors, associates, and most importantly, our guests. Many companies have attempted to take advantage of this hugely fragmented industry, but only a handful of companies have achieved a measurable share of the market. Our team at Sonic Automotive is one of the most experienced pre-owned teams in the industry. We have more than doubled our store throughput over the last eight years and, as a team, have sold more than 1.1 million pre-owned vehicles since Sonic was founded. Further, we have been developing our inventory management and technology capabilities for years. These investments, coupled with our state of the art facilities, customer-centric selling processes and unparalleled training will reinvent the pre-owned buying, trading and servicing experience. Our goal is to provide a guest with an experience that will rival other retail service industries that make customer experience their most important priority.”

Sonic will introduce its first pre-owned specialty retail store in Denver, Colorado in late 2014 with plans to expand across the country in the coming years. Dyke further stated “I think it is important for all interested parties to note that we have been preparing for this day for many years. Bringing an innovative change to this industry requires experience, investment and patience. We have been tirelessly working to create a truly different and amazing experience for our guests. We are very excited for this time in our company’s history!”

Third Quarter Operations Conference Call

Senior management will host a conference call today at 10:00 A.M. (Eastern) to discuss these initiatives and the quarter's operations. To access the live broadcast of the call over the Internet go to: www.sonicautomotive.com, then click on "Our Company", then "Investor Relations", then "Earnings Conference Calls".

Presentation materials for the conference call 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".

The conference call will also be available live by dialing in 10 minutes prior to the start of the call at:

Domestic: 1.877.441.0824
International: 1.706.643.0958

A conference call replay will be available one hour following the call for seven days and can be accessed by calling:

Domestic: 1.855.859.2056
International: 1.404.537.3406

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 anticipated growth in used vehicle sales, the timing of the introduction of, and the future success and impacts from, the implementation of our strategic initiatives. 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 industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2012 and quarterly report on Form 10-Q for the period ended June 30, 2013. The Company does not undertake any obligation to update forward-looking information.

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