
**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): November 8, 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 November 8, 2013, we issued a press release announcing additional results for our fiscal quarter ended September 30, 2013.

A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc. dated November 8, 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: November 8, 2013

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc. dated November 8, 2013

FOR IMMEDIATE RELEASE

*Sonic Automotive, Inc. Reports 3rd Quarter Continuing
Operations EPS of \$0.46 – 15% EPS Growth*

CHARLOTTE, N.C. – November 8, 2013 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported 2013 third quarter earnings from continuing operations of \$24.7 million. Earnings from continuing operations per diluted share increased 15.0% to \$0.46 compared to an adjusted \$0.40 in the prior year quarter. Adjusted results in the third quarter of 2012 exclude a pre-tax charge of approximately \$18.5 million, or \$0.19 per diluted share, related to costs associated with retiring its outstanding 5.0% Convertible Senior Notes due 2029 (“5% Notes”).

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

Sonic is targeting adjusted fully diluted earnings per share from continuing operations at \$1.96-\$2.03 for the full year 2013.

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, and 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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Contact: Heath Byrd, Chief Financial Officer (704) 566-2400
C.G. Saffer, Vice President and Chief Accounting Officer (704) 566-2439

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(Dollars and shares in thousands, except per share amounts)

This release contains certain non-GAAP financial measures (the "Adjusted" columns) as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations and related earnings per share data. The Company has reconciled these measures to the most directly comparable GAAP measures (the "Reported" columns) in the release. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure by providing period-to-period comparability of the Company's results from operations.

	Third Quarter Ended September 30, 2013			Third Quarter Ended September 30, 2012		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Revenues:						
New retail vehicles	\$ 1,219,525	\$ —	\$ 1,219,525	\$ 1,158,524	\$ —	\$ 1,158,524
Fleet vehicles	41,745	—	41,745	37,302	—	37,302
Total new vehicles	1,261,270	—	1,261,270	1,195,826	—	1,195,826
Used vehicles	559,848	—	559,848	527,914	—	527,914
Wholesale vehicles	42,731	—	42,731	52,280	—	52,280
Total vehicles	1,863,849	—	1,863,849	1,776,020	—	1,776,020
Parts, service and collision repair	309,600	—	309,600	287,311	—	287,311
Finance, insurance and other	68,747	—	68,747	64,390	—	64,390
Total revenues	2,242,196	—	2,242,196	2,127,721	—	2,127,721
Gross profit	326,081	—	326,081	304,428	—	304,428
Selling, general and administrative expenses	(254,564)	—	(254,564)	(235,328)	—	(235,328)
Impairment charges	(18)	—	(18)	(23)	—	(23)
Depreciation and amortization	(13,744)	—	(13,744)	(11,295)	—	(11,295)
Operating income (loss)	57,755	—	57,755	57,782	—	57,782
Other income (expense):						
Interest expense, floor plan	(5,463)	—	(5,463)	(4,799)	—	(4,799)
Interest expense, other, net	(13,553)	—	(13,553)	(15,632)	1,167(1)	(14,465)
Other income (expense), net	29	—	29	(17,274)	17,320(2)	46
Total other income (expense)	(18,987)	—	(18,987)	(37,705)	18,487	(19,218)
Income (loss) from continuing operations before taxes	38,768	—	38,768	20,077	18,487	38,564
Provision for income taxes - benefit (expense)	(14,066)	—	(14,066)	(7,751)	(7,210)	(14,961)
Income (loss) from continuing operations	24,702	—	24,702	12,326	11,277	23,603
Income (loss) from discontinued operations	(1,375)	—	(1,375)	(2,284)	—	(2,284)
Net income (loss)	\$ 23,327	\$ —	\$ 23,327	\$ 10,042	\$ 11,277	\$ 21,319
Diluted earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 0.46	\$ —	\$ 0.46	\$ 0.22	\$ 0.18	\$ 0.40
Earnings (loss) per share from discontinued operations	(0.02)	—	(0.02)	(0.04)	0.01	(0.03)
Earnings (loss) per common share	\$ 0.44	\$ —	\$ 0.44	\$ 0.18	\$ 0.19	\$ 0.37
Weighted average common shares outstanding	52,918	—	52,918	59,011	—	59,011
Gross Margin Data (Continuing Operations):						
New retail vehicles	5.9%	—	5.9%	5.7%	—	5.7%
Fleet vehicles	2.5%	—	2.5%	2.5%	—	2.5%
Total new vehicles	5.7%	—	5.7%	5.6%	—	5.6%
Used vehicles	7.0%	—	7.0%	6.7%	—	6.7%
Wholesale vehicles	(7.5%)	—	(7.5%)	(6.5%)	—	(6.5%)
Parts, service and collision repair	48.2%	—	48.2%	48.9%	—	48.9%
Finance, insurance and other	100.0%	—	100.0%	100.0%	—	100.0%
Overall gross margin	14.5%	—	14.5%	14.3%	—	14.3%
SG&A Expenses (Continuing Operations):						
Compensation	\$ 151,683	—	\$ 151,683	\$ 140,771	—	\$ 140,771
Advertising	14,132	—	14,132	12,498	—	12,498
Rent	18,901	—	18,901	18,619	—	18,619
Other	69,848	—	69,848	63,440	—	63,440
Total SG&A expenses	\$ 254,564	\$ —	\$ 254,564	\$ 235,328	\$ —	\$ 235,328
SG&A expenses as % of gross profit	78.1%	—	78.1%	77.3%	—	77.3%
Operating Margin %	2.6%	—	2.6%	2.7%	—	2.7%
Unit Data (Continuing Operations):						
New retail units	34,087	—	34,087	33,264	—	33,264
Fleet units	1,451	—	1,451	1,325	—	1,325
Total new units	35,538	—	35,538	34,589	—	34,589
Used units	27,632	—	27,632	26,610	—	26,610
Wholesale units	7,641	—	7,641	8,931	—	8,931

- (1) Represents double-carry interest on the 7.0% Senior Subordinated Notes.
(2) Represents loss on extinguishment of the 5.0% Convertible Senior Notes.

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(Dollars and shares in thousands, except per share amounts)

	Nine Months Ended September 30, 2013			Nine Months Ended September 30, 2012		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Revenues:						
New retail vehicles	\$3,520,343	\$ —	\$3,520,343	\$3,286,285	\$ —	\$3,286,285
Fleet vehicles	131,143	—	131,143	126,585	—	126,585
Total new vehicles	3,651,486	—	3,651,486	3,412,870	—	3,412,870
Used vehicles	1,625,006	—	1,625,006	1,564,414	—	1,564,414
Wholesale vehicles	134,556	—	134,556	138,506	—	138,506
Total vehicles	5,411,048	—	5,411,048	5,115,790	—	5,115,790
Parts, service and collision repair	913,290	—	913,290	875,206	—	875,206
Finance, insurance and other	203,461	—	203,461	185,737	—	185,737
Total revenues	6,527,799	—	6,527,799	6,176,733	—	6,176,733
Gross profit	962,907	—	962,907	921,034	—	921,034
Selling, general and administrative expenses	(748,479)	—	(748,479)	(712,228)	—	(712,228)
Impairment charges	(69)	—	(69)	(57)	—	(57)
Depreciation and amortization	(39,020)	—	(39,020)	(33,399)	—	(33,399)
Operating income (loss)	175,339	—	175,339	175,350	—	175,350
Other income (expense):						
Interest expense, floor plan	(16,267)	—	(16,267)	(13,919)	—	(13,919)
Interest expense, other, net	(42,302)	788(1)	(41,514)	(45,875)	1,167(3)	(44,708)
Other income (expense), net	(28,143)	28,235(2)	92	(19,809)	19,898(4)	89
Total other income (expense)	(86,712)	29,023	(57,689)	(79,603)	21,065	(58,538)
Income (loss) from continuing operations before taxes	88,627	29,023	117,650	95,747	21,065	116,812
Provision for income taxes - benefit (expense)	(33,510)	(11,319)	(44,829)	(33,277)	(11,784)(5)	(45,061)
Income (loss) from continuing operations	55,117	17,704	72,821	62,470	9,281	71,751
Income (loss) from discontinued operations	(1,582)	—	(1,582)	(3,751)	—	(3,751)
Net income (loss)	\$ 53,535	\$ 17,704	\$ 71,239	\$ 58,719	\$ 9,281	\$ 68,000
Diluted earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 1.03	\$ 0.34	\$ 1.37	\$ 1.06	\$ 0.15	\$ 1.21
Earnings (loss) per share from discontinued operations	(0.03)	—	(0.03)	(0.06)	—	(0.06)
Earnings (loss) per common share	\$ 1.00	\$ 0.34	\$ 1.34	\$ 1.00	\$ 0.15	\$ 1.15
Weighted average common shares outstanding	52,930	—	52,930	62,300	—	62,300
Gross Margin Data (Continuing Operations):						
New retail vehicles	5.8%	—	5.8%	6.0%	—	6.0%
Fleet vehicles	2.7%	—	2.7%	2.9%	—	2.9%
Total new vehicles	5.7%	—	5.7%	5.9%	—	5.9%
Used vehicles	7.1%	—	7.1%	7.1%	—	7.1%
Wholesale vehicles	(4.7%)	—	(4.7%)	(3.2%)	—	(3.2%)
Parts, service and collision repair	48.7%	—	48.7%	48.9%	—	48.9%
Finance, insurance and other	100.0%	—	100.0%	100.0%	—	100.0%
Overall gross margin	14.8%	—	14.8%	14.9%	—	14.9%
SG&A Expenses (Continuing Operations):						
Compensation	\$ 449,791	—	\$ 449,791	\$ 426,463	—	\$ 426,463
Advertising	41,282	—	41,282	37,107	—	37,107
Rent	56,344	—	56,344	57,198	—	57,198
Other	201,062	—	201,062	191,460	—	191,460
Total SG&A expenses	\$ 748,479	\$ —	\$ 748,479	\$ 712,228	\$ —	\$ 712,228
SG&A expenses as % of gross profit	77.7%	—	77.7%	77.3%	—	77.3%
Operating Margin %	2.7%	—	2.7%	2.8%	—	2.8%
Unit Data (Continuing Operations):						
New retail units	98,362	—	98,362	94,869	—	94,869
Fleet units	4,661	—	4,661	4,616	—	4,616
Total new units	103,023	—	103,023	99,485	—	99,485
Used units	80,700	—	80,700	78,613	—	78,613
Wholesale units	23,291	—	23,291	23,736	—	23,736

- (1) Represents double-carry interest on the 9.0% Senior Subordinated Notes.
- (2) Represents loss on extinguishment of the 9.0% Senior Subordinated Notes.
- (3) Represents double-carry interest on the 7.0% Senior Subordinated Notes.
- (4) Represents loss on extinguishment of the 5.0% Convertible Senior Notes.
- (5) Includes tax adjustments related to the settlement of certain tax matters.

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(Dollars and shares in thousands, except per share amounts)

Per Share Data

	Third Quarter Ended September 30, 2013						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares	52,553	\$24,702		\$(1,375)		\$23,327	
Effect of participating securities:							
Non-vested restricted stock and stock units		(172)		—		(172)	
Basic earnings (loss) and shares	52,553	\$24,530	\$ 0.47	\$(1,375)	\$ (0.03)	\$23,155	\$ 0.44
Effect of dilutive securities:							
Stock compensation plans	365						
Diluted earnings (loss) and shares	<u>52,918</u>	<u>\$24,530</u>	<u>\$ 0.46</u>	<u>\$(1,375)</u>	<u>\$ (0.02)</u>	<u>\$23,155</u>	<u>\$ 0.44</u>
	Third Quarter Ended September 30, 2012						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares	55,069	\$12,326		\$(2,284)		\$10,042	
Effect of participating securities:							
Non-vested restricted stock and stock units		(182)		—		(182)	
Basic earnings (loss) and shares	55,069	\$12,144	\$ 0.22	\$(2,284)	\$ (0.04)	\$ 9,860	\$ 0.18
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)	3,534	618		2		620	
Stock compensation plans	408						
Diluted earnings (loss) and shares	<u>59,011</u>	<u>\$12,762</u>	<u>\$ 0.22</u>	<u>\$(2,282)</u>	<u>\$ (0.04)</u>	<u>\$10,480</u>	<u>\$ 0.18</u>
Adjustments (net of tax):							
Double-carry interest		\$ 712	\$ 0.01	\$ —	\$ —	\$ 712	\$ 0.01
Debt extinguishment charges		10,565	0.17	—	—	10,565	0.17
Effect of two-class method & rounding		—	—	—	0.01	—	0.01
Total adjustments		\$11,277	\$ 0.18	\$ —	\$ 0.01	\$11,277	\$ 0.19
Adjusted:							
Diluted earnings (loss) per share			<u>\$ 0.40</u>		<u>\$ (0.03)</u>		<u>\$ 0.37</u>

Sonic Automotive, Inc.
Results of Operations (Unaudited)
(Dollars and shares in thousands, except per share amounts)

Per Share Data

	Nine Months Ended September 30, 2013						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares	52,578	\$55,117		\$(1,582)		\$53,535	
Effect of participating securities:							
Non-vested restricted stock and stock units		(393)		—		(393)	
Basic earnings (loss) and shares	52,578	\$54,724	\$ 1.04	\$(1,582)	\$ (0.03)	\$53,142	\$ 1.01
Effect of dilutive securities:							
Stock compensation plans	352						
Diluted earnings (loss) and shares	<u>52,930</u>	<u>\$54,724</u>	<u>\$ 1.03</u>	<u>\$(1,582)</u>	<u>\$ (0.03)</u>	<u>\$53,142</u>	<u>\$ 1.00</u>
Adjustments (net of tax):							
Double-carry interest		\$ 481	\$ 0.01	\$ —	\$ —	\$ 481	\$ 0.01
Debt extinguishment charges		17,223	0.33	—	—	17,223	0.33
Total adjustments		\$17,704	\$ 0.34	\$ —	\$ —	\$17,704	\$ 0.34
Adjusted:							
Diluted earnings (loss) per share			<u>\$ 1.37</u>		<u>\$ (0.03)</u>		<u>\$ 1.34</u>

	Nine Months Ended September 30, 2012						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares	53,302	\$62,470		\$(3,751)		\$58,719	
Effect of participating securities:							
Non-vested restricted stock and stock units		(949)		—		(949)	
Basic earnings (loss) and shares	53,302	\$61,521	\$ 1.15	\$(3,751)	\$ (0.07)	\$57,770	\$ 1.08
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)	8,563	4,599		82		4,681	
Stock compensation plans	435						
Diluted earnings (loss) and shares	<u>62,300</u>	<u>\$66,120</u>	<u>\$ 1.06</u>	<u>\$(3,669)</u>	<u>\$ (0.06)</u>	<u>\$62,451</u>	<u>\$ 1.00</u>
Adjustments (net of tax):							
Double-carry interest		\$ 712	\$ 0.01	\$ —	\$ —	\$ 712	\$ 0.01
Debt extinguishment charges		12,138	0.20	—	—	12,138	0.20
Settlement of tax matters		(3,569)	(0.06)	—	—	(3,569)	(0.06)
Total adjustments		\$ 9,281	\$ 0.15	\$ —	\$ —	\$ 9,281	\$ 0.15
Adjusted:							
Diluted earnings (loss) per share			<u>\$ 1.21</u>		<u>\$ (0.06)</u>		<u>\$ 1.15</u>

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

	<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	\$ 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

	<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	\$ 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

	<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	\$ 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

	<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	\$ 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		Better / (Worse)	
	September 30,		Change	% Change
	2013	2012		
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		Better / (Worse)	
	September 30,		Change	% Change
	2013	2012		
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