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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 23, 2016

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**SONIC AUTOMOTIVE, INC.**

(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction  
of incorporation)

1-13395  
(Commission  
File Number)

56-2010790  
(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

Not Applicable  
(Former name or former address, if changed since last report.)

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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 February 23, 2016, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal fourth quarter and fiscal year ended December 31, 2015 (the “Earnings Press Release”). A copy of the Earnings Press Release is attached hereto as Exhibit 99.1 and a copy of the earnings call presentation materials is attached hereto as Exhibit 99.2.

**Item 7.01. Regulation FD Disclosure.**

On February 23, 2016, in the Earnings Press Release, the Company announced the approval of a quarterly cash dividend.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc., dated February 23, 2016

99.2 Earnings call presentation materials

The information in this Current Report on Form 8-K, including the exhibits attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

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**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.

Date: February 23, 2016

SONIC AUTOMOTIVE, INC.

By: /s/ Stephen K. Coss  
Stephen K. Coss  
Senior Vice President and General Counsel

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**INDEX TO EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press release of Sonic Automotive, Inc., dated February 23, 2016
99.2	Earnings call presentation materials

***Sonic Automotive, Inc. Reports Record Results  
Adjusted Continuing Operations Quarterly EPS of \$0.61,  
Increases Dividend by 33%***

**Fourth Quarter 2015 Results**

- Record Q4 new retail units of 35,228, up 1.4% over the prior year quarter
- Record Q4 pre-owned units and gross profit of 28,220 and \$38.8 million, respectively
- Record Q4 fixed operations gross profit of \$169.1 million, up 8.2% over the prior year quarter
- Record Q4 total gross profit of \$363.8 million, up 4.4% over the prior year quarter
- EchoPark® stores retailed 764 units

**Full Year 2015 Results**

- Record annual new retail units of 138,129, up 1.6% over the prior year
- Record annual pre-owned units of 117,123, up 6.4% over the prior year
- Record annual pre-owned gross profit of \$162.0 million, up 3.1% over the prior year
- Record annual fixed operations gross profit of \$655.4 million
- Record annual total gross profit of \$1.415 billion
- EchoPark® stores retailed 3,225 units

**CHARLOTTE, N.C.** – February 23, 2016 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported adjusted net income from continuing operations for the fourth quarter of 2015 of \$30.9 million, or \$0.61 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$3.6 million, or \$0.04 per diluted share, related to the Company’s EchoPark® operations. Adjusted net income from continuing operations and related earnings per diluted share are non-GAAP financial measures. The schedules included in this press release reconcile these non-GAAP financial measures to the comparable GAAP financial measures.

Adjusted net income from continuing operations for the fourth quarter of 2014 was \$32.5 million, or \$0.63 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$7.1 million, or \$0.08 per diluted share, related to the Company’s EchoPark® operations.

On a GAAP basis, net income from continuing operations and related diluted earnings per share for the fourth quarter of 2015 were \$31.5 million and \$0.63 per share, respectively, compared to \$27.0 million and \$0.52 per diluted share, respectively, for the fourth quarter of 2014.

Sonic reported full year 2015 adjusted net income from continuing operations of \$100.2 million, or \$1.97 per diluted share, that includes expenses of \$16.3 million, or \$0.19 per diluted share, related to the Company’s EchoPark® operations. For the full year of 2014, Sonic reported adjusted net income from continuing operations of \$100.0 million, or \$1.90 per diluted share, that includes expenses of \$15.7 million, or \$0.18 per diluted share, related to EchoPark®.

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On a GAAP basis, net income from continuing operations for the full year of 2015 was \$88.1 million, or \$1.73 per diluted share, compared to full year 2014 results of \$98.6 million, or \$1.87 per diluted share.

Jeff Dyke, Sonic's EVP of Operations, stated, "The year ended up being a great year for Sonic and EchoPark®. I am very proud of our team as we progressed together on our long-term strategy to redefine the Automotive Guest Experience. This is a huge undertaking that we are confident will reward our Guests, Associates and Long-Term Shareholders. We have been able to grow gross across all of our revenue streams with the exception of new vehicles, which is a direct reflection of manufacturers' inventory growth in particular in the luxury category. Some of the OEM's have simply over produced and it has caused competitive and margin pressures that we have not experienced in several years. However, the stability and strength of our pre-owned revenue stream has continued to allow us to drive additional profitability in that area. In addition, we have overcome the warranty mix issues from earlier in the year and we were able to increase same store fixed operations gross profit 9.6% in the fourth quarter of 2015 compared to the fourth quarter of 2014. Our focus on increasing customer pay, up 7.8% on a same store basis during the fourth quarter, was key to achieving this level of growth.

We are excited about the growth we are planning for EchoPark® in 2016 and 2017. Two new stores in the Denver market will open in the first half of 2016 with two more coming in the first part of 2017. We also have plans in place to add additional stores in at least two different markets beginning in Q4 2016 depending on real-estate closing dates."

#### **Dividend**

Sonic's Board of Directors approved a quarterly dividend of \$0.05 per share payable in cash for stockholders of record on March 15, 2016. The dividend will be payable on April 15, 2016. This represents a 33% increase in the dividend rate from the prior quarter amount of \$0.0375 per share.

#### **2016 Outlook**

B. Scott Smith, the Company's Chief Executive Officer, noted, "I am very pleased with the performance of our team in the fourth quarter and the year. Subsequent to December 31, 2015, market news and expectations related to the retail automotive sector created pressure on public company valuations. As a result, our Board of Directors increased our authorization to repurchase shares by \$100.0 million. During the first quarter of 2016, we repurchased approximately 4.0 million shares, roughly 7.9% of outstanding shares as of December 31, 2015, for approximately \$72.0 million.

We expect 2016 to continue to be favorable to dealers and anticipate new vehicle industry volume to be between 17.3 million and 17.6 million units, but expect new vehicle GPU pressure to continue. We project diluted earnings per share from continuing operations for 2016 to be between \$2.07 and \$2.17 per share. This range includes the effect of projected EchoPark® results and expansion. We are projecting a loss related to EchoPark® of between \$0.21 and \$0.23 per diluted share. We will have additional comments on our 2016 outlook in our earnings call later today."

#### **Fourth Quarter Earnings Conference Call**

Senior management will host a conference call today at 11:00 A.M. (Eastern) to discuss the quarter's results. To access the live broadcast of the call over the Internet go to:

[www.sonicautomotive.com](http://www.sonicautomotive.com), then click on "Our Company," then "Investor Relations," then "Earnings Conference Calls."

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Presentation materials for the conference call can be accessed on the Company's website at [www.sonicautomotive.com](http://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: 1.877.450.3867  
International: 1.706.643.0958  
Conference ID: 32450261

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  
Conference ID: 32450261

#### 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](http://www.sonicautomotive.com).

Included herein are forward-looking statements, including statements with respect to anticipated future success and impacts from the implementation of our planned customer experience and EchoPark® store 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, 2014. 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)**

This release contains certain non-GAAP financial measures 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 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.

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
(In thousands, except per share and unit data)				
<b>Revenues:</b>				
New retail vehicles	\$ 1,377,661	\$ 1,337,896	\$ 5,205,688	\$ 5,046,010
Fleet vehicles	22,101	12,899	59,713	78,019
Total new vehicles	1,399,762	1,350,795	5,265,401	5,124,029
Used vehicles	607,430	562,993	2,512,024	2,310,247
Wholesale vehicles	34,579	38,361	155,339	166,158
Total vehicles	2,041,771	1,952,149	7,932,764	7,600,434
Parts, service and collision repair	345,068	322,924	1,364,947	1,296,570
Finance, insurance and other, net	83,796	76,755	326,588	300,095
Total revenues	2,470,635	2,351,828	9,624,299	9,197,099
Gross profit	363,848	348,464	1,414,612	1,365,900
Selling, general and administrative expenses	(275,002)	(264,402)	(1,110,565)	(1,067,433)
Impairment charges	(1,257)	(6,379)	(17,955)	(6,594)
Depreciation and amortization	(17,846)	(15,213)	(68,799)	(58,260)
Operating income (loss)	69,743	62,470	217,293	233,613
<b>Other income (expense):</b>				
Interest expense, floor plan	(5,840)	(4,852)	(21,326)	(18,793)
Interest expense, other, net	(12,275)	(12,614)	(50,910)	(53,190)
Other income (expense), net	—	(2)	99	97
Total other income (expense)	(18,115)	(17,468)	(72,137)	(71,886)
Income (loss) from continuing operations before taxes	51,628	45,002	145,156	161,727
Provision for income taxes for continuing operations - benefit (expense)	(20,121)	(18,045)	(57,065)	(63,168)
Income (loss) from continuing operations	31,507	26,957	88,091	98,559
Income (loss) from discontinued operations	(449)	(831)	(1,780)	(1,342)
Net income (loss)	<u>\$ 31,058</u>	<u>\$ 26,126</u>	<u>\$ 86,311</u>	<u>\$ 97,217</u>
<b>Diluted earnings (loss) per common share:</b>				
Earnings (loss) per share from continuing operations	\$ 0.63	\$ 0.52	\$ 1.73	\$ 1.87
Earnings (loss) per share from discontinued operations	(0.01)	(0.02)	(0.03)	(0.03)
Earnings (loss) per common share	<u>\$ 0.62</u>	<u>\$ 0.50</u>	<u>\$ 1.70</u>	<u>\$ 1.84</u>
Weighted average common shares outstanding	50,278	51,834	50,883	52,563
<b>Gross Margin Data (Continuing Operations):</b>				
New retail vehicles	5.4%	5.9%	5.2%	5.7%
Fleet vehicles	0.1%	1.1%	(0.3%)	1.9%
Total new vehicles	5.3%	5.8%	5.1%	5.6%
Used vehicles	6.4%	6.7%	6.5%	6.8%
Wholesale vehicles	(5.8%)	(2.9%)	(4.7%)	(2.2%)
Parts, service and collision repair	49.0%	48.4%	48.8%	48.1%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	14.7%	14.8%	14.7%	14.9%
<b>SG&amp;A Expenses (Continuing Operations):</b>				
Compensation	\$ 169,510	\$ 155,382	\$ 666,668	\$ 638,875
Advertising	15,470	15,409	61,630	57,437
Rent	18,481	18,384	73,539	73,707
Other	71,541	75,227	308,728	297,414
Total SG&A expenses	<u>\$ 275,002</u>	<u>\$ 264,402</u>	<u>\$ 1,110,565</u>	<u>\$ 1,067,433</u>
SG&A expenses as % of gross profit	75.6%	75.9%	78.5%	78.1%
Operating Margin %	2.8%	2.7%	2.3%	2.5%
<b>Unit Data (Continuing Operations):</b>				
New retail units	35,228	34,755	138,129	135,932
Fleet units	628	352	1,872	2,485
Total new units	35,856	35,107	140,001	138,417
Used units	28,220	26,406	117,123	110,113
Wholesale units	6,594	6,912	30,168	29,946



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

*Per Share Data*

	Three Months Ended December 31, 2015						
	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
			(In thousands, except per share amounts)				
<b>Reported:</b>							
Earnings (loss) and shares	49,872	\$31,507		\$ (449)		\$31,058	
Effect of participating securities:							
Non-vested restricted stock		(13)		—		(13)	
Basic earnings (loss) and shares	49,872	\$31,494	\$ 0.63	\$ (449)	\$ (0.01)	\$31,045	\$ 0.62
Effect of dilutive securities:							
Stock compensation plans	406						
Diluted earnings (loss) and shares	<u>50,278</u>	<u>\$31,494</u>	<u>\$ 0.63</u>	<u>\$ (449)</u>	<u>\$ (0.01)</u>	<u>\$31,045</u>	<u>\$ 0.62</u>
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (1,417)	\$ (0.03)	\$ —	\$ —	\$ (1,417)	\$ (0.03)
Impairment charges		766	0.01	—	—	766	0.01
Total adjustments		\$ (651)	\$ (0.02)	\$ —	\$ —	\$ (651)	\$ (0.02)
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (1)		\$30,856	<u>\$ 0.61</u>	\$ (449)	<u>\$ (0.01)</u>	\$30,407	<u>\$ 0.60</u>

(1) Net loss attributable to EchoPark® operations was \$0.04 per fully diluted share in the three months ended December 31, 2015.

	Three Months Ended December 31, 2014						
	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
			(In thousands, except per share amounts)				
<b>Reported:</b>							
Earnings (loss) and shares	51,272	\$26,957		\$ (831)		\$26,126	
Effect of participating securities:							
Non-vested restricted stock and stock units		(86)		—		(86)	
Basic earnings (loss) and shares	51,272	\$26,871	\$ 0.52	\$ (831)	\$ (0.01)	\$26,040	\$ 0.51
Effect of dilutive securities:							
Stock compensation plans	562						
Diluted earnings (loss) and shares	<u>51,834</u>	<u>\$26,871</u>	<u>\$ 0.52</u>	<u>\$ (831)</u>	<u>\$ (0.02)</u>	<u>\$26,040</u>	<u>\$ 0.50</u>
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (157)	\$ —	\$ —	\$ —	\$ (157)	\$ —
Impairment charges		3,943	0.08	—	—	3,943	0.08
Storm damage and other		949	0.01	—	—	949	0.01
Permanent tax differences from disposals		853	0.02	—	—	853	0.02
Total adjustments		\$ 5,588	\$ 0.11	\$ —	\$ —	\$ 5,588	\$ 0.11
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (2)		\$32,545	<u>\$ 0.63</u>	\$ (831)	<u>\$ (0.02)</u>	\$31,714	<u>\$ 0.61</u>

(2) Net loss attributable to EchoPark® operations was \$0.08 per fully diluted share in the three months ended December 31, 2014.

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

*Per Share Data*

	Twelve Months Ended December 31, 2015						
	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
<b>Reported:</b>							
Earnings (loss) and shares	50,489	\$ 88,091		\$(1,780)		\$86,311	
Effect of participating securities:							
Non-vested restricted stock and stock units		(36)		—		(36)	
Basic earnings (loss) and shares	50,489	\$ 88,055	\$ 1.74	\$(1,780)	\$ (0.03)	\$86,275	\$ 1.71
Effect of dilutive securities:							
Stock compensation plans	394						
Diluted earnings (loss) and shares	50,883	\$ 88,055	\$ 1.73	\$(1,780)	\$ (0.03)	\$86,275	\$ 1.70
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (2,000)	\$ (0.04)	\$ —	\$ —	\$ (2,000)	\$ (0.04)
Impairment charges		10,930	0.22	—	—	10,930	0.22
Storm damage and other		3,134	0.06	—	—	3,134	0.06
Effect of rounding		—	—	—	(0.01)	—	(0.01)
Total adjustments		\$ 12,064	\$ 0.24	\$ —	\$ (0.01)	\$12,064	\$ 0.23
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (3)		\$100,155	\$ 1.97	\$(1,780)	\$ (0.04)	\$98,375	\$ 1.93

(3) Net loss attributable to EchoPark® operations was \$0.19 per fully diluted share in the twelve months ended December 31, 2015.

	Twelve Months Ended December 31, 2014						
	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
<b>Reported:</b>							
Earnings (loss) and shares	52,065	\$ 98,559		\$(1,342)		\$97,217	
Effect of participating securities:							
Non-vested restricted stock and stock units		(311)		—		(311)	
Basic earnings (loss) and shares	52,065	\$ 98,248	\$ 1.89	\$(1,342)	\$ (0.03)	\$96,906	\$ 1.86
Effect of dilutive securities:							
Stock compensation plans	498						
Diluted earnings (loss) and shares	52,563	\$ 98,248	\$ 1.87	\$(1,342)	\$ (0.03)	\$96,906	\$ 1.84
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (7,273)	\$ (0.14)	\$ —	\$ —	\$ (7,273)	\$ (0.14)
Impairment charges		4,459	0.08	—	—	4,459	0.08
Storm damage and other		3,434	0.07	—	—	3,434	0.07
Permanent tax differences from disposals		853	0.02	—	—	853	0.02
Lease exit adjustments		—	—	(844)	(0.01)	(844)	(0.01)
Total adjustments		\$ 1,473	\$ 0.03	\$ (844)	\$ (0.01)	\$ 629	\$ 0.02
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (4)		\$100,032	\$ 1.90	\$(2,186)	\$ (0.04)	\$97,846	\$ 1.86

(4) Net loss attributable to EchoPark® operations was \$0.18 per fully diluted share in the twelve months ended December 31, 2014.

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

*New Vehicles*

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 1,399,762	\$ 1,350,795	\$ 48,967	3.6%
Gross profit	\$ 74,209	\$ 78,734	\$ (4,525)	(5.7%)
Unit sales	35,856	35,107	749	2.1%
Revenue per unit	\$ 39,038	\$ 38,477	\$ 561	1.5%
Gross profit per unit	\$ 2,070	\$ 2,243	\$ (173)	(7.7%)
Gross profit as a % of revenue	5.3%	5.8%	(50) bps	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 5,265,401	\$ 5,124,029	\$141,372	2.8%
Gross profit	\$ 267,929	\$ 288,626	\$ (20,697)	(7.2%)
Unit sales	140,001	138,417	1,584	1.1%
Revenue per unit	\$ 37,610	\$ 37,019	\$ 591	1.6%
Gross profit per unit	\$ 1,914	\$ 2,085	\$ (171)	(8.2%)
Gross profit as a % of revenue	5.1%	5.6%	(50) bps	

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 1,391,427	\$ 1,333,400	\$ 58,027	4.4%
Gross profit	\$ 74,077	\$ 78,030	\$ (3,953)	(5.1%)
Unit sales	35,686	34,673	1,013	2.9%
Revenue per unit	\$ 38,991	\$ 38,456	\$ 535	1.4%
Gross profit per unit	\$ 2,076	\$ 2,250	\$ (174)	(7.7%)
Gross profit as a % of revenue	5.3%	5.9%	(60) bps	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 5,187,076	\$ 4,965,615	\$221,461	4.5%
Gross profit	\$ 264,124	\$ 280,264	\$ (16,140)	(5.8%)
Unit sales	137,884	134,062	3,822	2.9%
Revenue per unit	\$ 37,619	\$ 37,040	\$ 579	1.6%
Gross profit per unit	\$ 1,916	\$ 2,091	\$ (175)	(8.4%)
Gross profit as a % of revenue	5.1%	5.6%	(50) bps	

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

*Used Vehicles*

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 607,430	\$ 562,993	\$ 44,437	7.9%
Gross profit	\$ 38,772	\$ 37,834	\$ 938	2.5%
Unit sales	28,220	26,406	1,814	6.9%
Revenue per unit	\$ 21,525	\$ 21,321	\$ 204	1.0%
Gross profit per unit	\$ 1,374	\$ 1,433	\$ (59)	(4.1%)
Gross profit as a % of revenue	6.4%	6.7%	(30) bps	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 2,512,024	\$ 2,310,247	\$201,777	8.7%
Gross profit	\$ 162,042	\$ 157,246	\$ 4,796	3.0%
Unit sales	117,123	110,113	7,010	6.4%
Revenue per unit	\$ 21,448	\$ 20,981	\$ 467	2.2%
Gross profit per unit	\$ 1,384	\$ 1,428	\$ (44)	(3.1%)
Gross profit as a % of revenue	6.5%	6.8%	(30) bps	

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 586,414	\$ 546,962	\$ 39,452	7.2%
Gross profit	\$ 37,523	\$ 37,011	\$ 512	1.4%
Unit sales	27,182	25,597	1,585	6.2%
Revenue per unit	\$ 21,574	\$ 21,368	\$ 206	1.0%
Gross profit per unit	\$ 1,380	\$ 1,446	\$ (66)	(4.6%)
Gross profit as a % of revenue	6.4%	6.8%	(40) bps	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 2,394,454	\$ 2,211,513	\$182,941	8.3%
Gross profit	\$ 155,448	\$ 152,355	\$ 3,093	2.0%
Unit sales	111,212	105,161	6,051	5.8%
Revenue per unit	\$ 21,531	\$ 21,030	\$ 501	2.4%
Gross profit per unit	\$ 1,398	\$ 1,449	\$ (51)	(3.5%)
Gross profit as a % of revenue	6.5%	6.9%	(40) bps	

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

*Wholesale Vehicles*

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 34,579	\$ 38,361	\$ (3,782)	(9.9%)
Gross profit (loss)	\$ (2,003)	\$ (1,122)	\$ (881)	(78.5%)
Unit sales	6,594	6,912	(318)	(4.6%)
Revenue per unit	\$ 5,244	\$ 5,550	\$ (306)	(5.5%)
Gross profit (loss) per unit	\$ (304)	\$ (162)	\$ (142)	(87.7%)
Gross profit (loss) as a % of revenue	(5.8%)	(2.9%)	(290) bps	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 155,339	\$ 166,158	\$(10,819)	(6.5%)
Gross profit (loss)	\$ (7,368)	\$ (3,616)	\$ (3,752)	(103.8%)
Unit sales	30,168	29,946	222	0.7%
Revenue per unit	\$ 5,149	\$ 5,549	\$ (400)	(7.2%)
Gross profit (loss) per unit	\$ (244)	\$ (121)	\$ (123)	(101.7%)
Gross profit (loss) as a % of revenue	(4.7%)	(2.2%)	(250) bps	

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 33,352	\$ 37,419	\$ (4,067)	(10.9%)
Gross profit (loss)	\$ (1,850)	\$ (930)	\$ (920)	(98.9%)
Unit sales	6,312	6,796	(484)	(7.1%)
Revenue per unit	\$ 5,284	\$ 5,506	\$ (222)	(4.0%)
Gross profit (loss) per unit	\$ (293)	\$ (137)	\$ (156)	(113.9%)
Gross profit (loss) as a % of revenue	(5.5%)	(2.5%)	(300) bps	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 149,330	\$ 160,343	\$(11,013)	(6.9%)
Gross profit (loss)	\$ (6,689)	\$ (3,303)	\$ (3,386)	(102.5%)
Unit sales	28,723	28,968	(245)	(0.8%)
Revenue per unit	\$ 5,199	\$ 5,535	\$ (336)	(6.1%)
Gross profit (loss) per unit	\$ (233)	\$ (114)	\$ (119)	(104.4%)
Gross profit (loss) as a % of revenue	(4.5%)	(2.1%)	(240) bps	

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

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

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 145,787	\$ 137,524	\$ 8,263	6.0%
Warranty	58,923	52,396	6,527	12.5%
Wholesale parts	44,602	46,615	(2,013)	(4.3%)
Internal, sublet and other	95,756	86,389	9,367	10.8%
Total	<u>\$ 345,068</u>	<u>\$ 322,924</u>	<u>\$22,144</u>	<u>6.9%</u>
Gross profit				
Customer pay	\$ 79,475	\$ 74,734	\$ 4,741	6.3%
Warranty	31,795	29,135	2,660	9.1%
Wholesale parts	7,917	8,042	(125)	(1.6%)
Internal, sublet and other	49,886	44,353	5,533	12.5%
Total	<u>\$ 169,074</u>	<u>\$ 156,264</u>	<u>\$12,810</u>	<u>8.2%</u>
Gross profit as a % of revenue				
Customer pay	54.5%	54.3%	20 bps	
Warranty	54.0%	55.6%	(160) bps	
Wholesale parts	17.8%	17.3%	50 bps	
Internal, sublet and other	52.1%	51.3%	80 bps	
Total	<u>49.0%</u>	<u>48.4%</u>	<u>60 bps</u>	

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 577,265	\$ 565,144	\$12,121	2.1%
Warranty	228,093	194,468	33,625	17.3%
Wholesale parts	181,296	188,687	(7,391)	(3.9%)
Internal, sublet and other	378,293	348,271	30,022	8.6%
Total	<u>\$ 1,364,947</u>	<u>\$ 1,296,570</u>	<u>\$68,377</u>	<u>5.3%</u>
Gross profit				
Customer pay	\$ 316,026	\$ 309,885	\$ 6,141	2.0%
Warranty	126,571	106,298	20,273	19.1%
Wholesale parts	32,249	32,633	(384)	(1.2%)
Internal, sublet and other	190,575	174,733	15,842	9.1%
Total	<u>\$ 665,421</u>	<u>\$ 623,549</u>	<u>\$41,872</u>	<u>6.7%</u>
Gross profit as a % of revenue				
Customer pay	54.7%	54.8%	(10) bps	
Warranty	55.5%	54.7%	80 bps	
Wholesale parts	17.8%	17.3%	50 bps	
Internal, sublet and other	50.4%	50.2%	20 bps	
Total	<u>48.8%</u>	<u>48.1%</u>	<u>70 bps</u>	

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

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

	Three Months Ended December 31,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 144,672	\$ 134,662	\$10,010	7.4%
Warranty	58,520	51,482	7,038	13.7%
Wholesale parts	44,325	45,603	(1,278)	(2.8%)
Internal, sublet and other	93,519	83,613	9,906	11.8%
Total	<u>\$ 341,036</u>	<u>\$ 315,360</u>	<u>\$25,676</u>	<u>8.1%</u>
Gross profit				
Customer pay	\$ 78,881	\$ 73,159	\$ 5,722	7.8%
Warranty	31,584	28,649	2,935	10.2%
Wholesale parts	7,858	7,845	13	0.2%
Internal, sublet and other	48,925	42,897	6,028	14.1%
Total	<u>\$ 167,248</u>	<u>\$ 152,550</u>	<u>\$14,698</u>	<u>9.6%</u>
Gross profit as a % of revenue				
Customer pay	54.5%	54.3%	20 bps	
Warranty	54.0%	55.6%	(160) bps	
Wholesale parts	17.7%	17.2%	50 bps	
Internal, sublet and other	52.3%	51.3%	100 bps	
Total	49.0%	48.4%	60 bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 566,939	\$ 545,349	\$21,590	4.0%
Warranty	224,478	187,094	37,384	20.0%
Wholesale parts	178,113	181,878	(3,765)	(2.1%)
Internal, sublet and other	365,554	335,435	30,119	9.0%
Total	<u>\$ 1,335,084</u>	<u>\$ 1,249,756</u>	<u>\$85,328</u>	<u>6.8%</u>
Gross profit				
Customer pay	\$ 310,297	\$ 299,075	\$11,222	3.8%
Warranty	124,675	102,376	22,299	21.8%
Wholesale parts	31,599	31,300	299	1.0%
Internal, sublet and other	184,657	167,834	16,823	10.0%
Total	<u>\$ 651,228</u>	<u>\$ 600,585</u>	<u>\$50,643</u>	<u>8.4%</u>
Gross profit as a % of revenue				
Customer pay	54.7%	54.8%	(10) bps	
Warranty	55.5%	54.7%	80 bps	
Wholesale parts	17.7%	17.2%	50 bps	
Internal, sublet and other	50.5%	50.0%	50 bps	
Total	48.8%	48.1%	70 bps	

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

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

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Reported:				
Revenue	\$ 83,796	\$ 76,755	\$ 7,041	9.2%
Gross profit per retail unit (excludes fleet)	\$ 1,321	\$ 1,255	\$ 66	5.3%

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Reported:				
Revenue	\$ 326,588	\$ 300,095	\$26,493	8.8%
Gross profit per retail unit (excludes fleet)	\$ 1,279	\$ 1,220	\$ 59	4.8%

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Same Store:				
Revenue	\$ 82,764	\$ 75,480	\$ 7,284	9.7%
Gross profit per retail unit (excludes fleet)	\$ 1,330	\$ 1,260	\$ 70	5.6%

	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Same Store:				
Revenue	\$ 318,476	\$ 290,368	\$28,108	9.7%
Gross profit per retail unit (excludes fleet)	\$ 1,288	\$ 1,227	\$ 61	5.0%



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

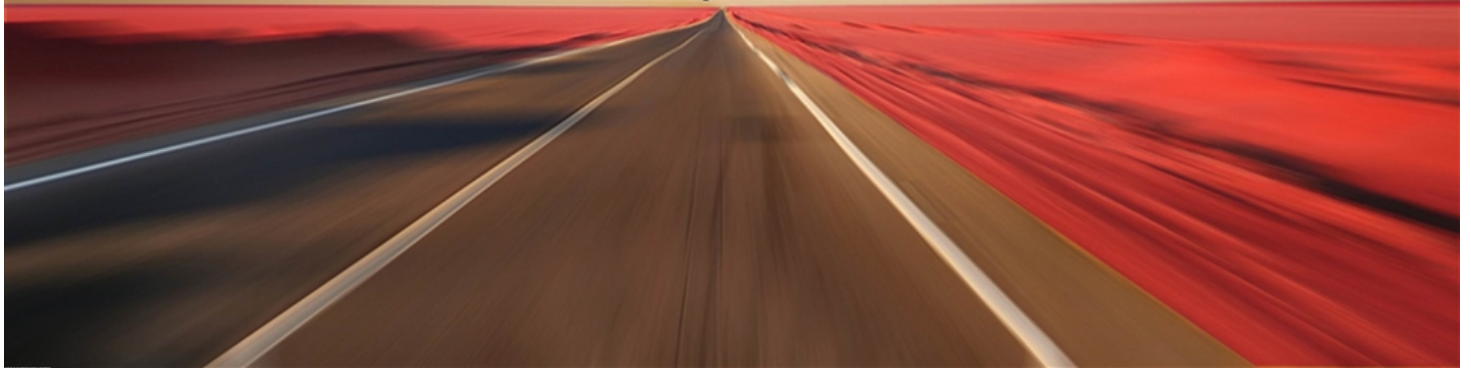
*Selling, General and Administrative ("SG&A") Expenses*

	<u>Three Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
	(In thousands)			
<b>Reported:</b>				
Compensation	\$ 169,510	\$ 155,382	\$(14,128)	(9.1%)
Advertising	15,470	15,409	(61)	(0.4%)
Rent	18,481	18,384	(97)	(0.5%)
Other	71,541	75,227	3,686	4.9%
Total	<u>\$ 275,002</u>	<u>\$ 264,402</u>	<u>\$(10,600)</u>	<u>(4.0%)</u>
Total pre-tax adjustments	<u>2,323</u>	<u>(1,282)</u>	<u>(3,605)</u>	<u>(281.2%)</u>
Adjusted SG&A	\$ 277,325	\$ 263,120	(14,205)	(5.4%)
<b>SG&amp;A expenses as a % of gross profit</b>				
Compensation	46.6%	44.6%	(200) bps	
Advertising	4.3%	4.4%	10 bps	
Rent	5.1%	5.3%	20 bps	
Other	19.6%	21.6%	200 bps	
Total	75.6%	75.9%	30 bps	
Total pre-tax adjustments	<u>0.6%</u>	<u>(0.4%)</u>	<u>(100) bps</u>	
Adjusted SG&A as a % of gross profit	76.2%	75.5%	(70) bps	
	<u>Twelve Months Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
	(In thousands)			
<b>Reported:</b>				
Compensation	\$ 666,668	\$ 638,875	\$(27,793)	(4.4%)
Advertising	61,630	57,437	(4,193)	(7.3%)
Rent	73,539	73,707	168	0.2%
Other	308,728	297,414	(11,314)	(3.8%)
Total	<u>\$ 1,110,565</u>	<u>\$ 1,067,433</u>	<u>\$(43,132)</u>	<u>(4.0%)</u>
Total pre-tax adjustments	<u>(1,859)</u>	<u>5,673</u>	<u>7,532</u>	<u>132.8%</u>
Adjusted SG&A	\$ 1,108,706	\$ 1,073,106	(35,600)	(3.3%)
<b>SG&amp;A expenses as a % of gross profit</b>				
Compensation	47.1%	46.8%	(30) bps	
Advertising	4.4%	4.2%	(20) bps	
Rent	5.2%	5.4%	20 bps	
Other	21.8%	21.7%	(10) bps	
Total	78.5%	78.1%	(40) bps	
Total pre-tax adjustments	<u>(0.1%)</u>	<u>0.5%</u>	<u>60 bps</u>	
Adjusted SG&A as a % of gross profit	78.4%	78.6%	20 bps	



# Q4 and Full Year 2015 Earnings Review

February 23, 2016



# 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, anticipated 2016 industry new vehicle sales volume, the implementation of growth and operating strategies, including acquisitions of dealerships and properties, the development of open points and stand-alone pre-owned stores, the return of capital to shareholders, anticipated future success and impacts from the implementation of our strategic initiatives and earnings per share expectations.

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, (d) new and pre-owned vehicle sales volume, and (e) earnings expectations for the year ending December 31, 2016. 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 ended December 31, 2014.

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.

# CONTENT

- STRATEGIC FOCUS
- FINANCIAL REVIEW
- OPERATIONS REVIEW
- SUMMARY & OUTLOOK

# STRATEGIC FOCUS

## 1. Growth

- EchoPark®
- One Sonic-One Experience
- Acquisitions & Open Points

## 2. Own Our Properties

## 3. Return Capital to Shareholders

- Share Repurchases
- Dividends

# STRATEGIC FOCUS

## ONE SONIC-ONE EXPERIENCE (OSOE)

- Goals
  - 1 Associate, 1 Price, 1 Hour
  - Improve Transparency; Increase Trust
  - Operational Efficiencies
  - Grow Market Share
  - Feed Fixed Operations
- Technology Being Introduced into Additional Markets (*Charlotte was Pilot*)
  - CRM, Desking & Appraisal

# STRATEGIC FOCUS

## EchoPark®

- Three Locations Open In Denver
  - Thornton Hub
  - Centennial
  - Highlands Ranch
- Locations to Open in Denver Market in First Half of 2016
  - Dakota Ridge
  - Stapleton
- Two Additional Denver Market Locations by End of 2016
- Purchasing Property in Two Other Markets

# STRATEGIC FOCUS

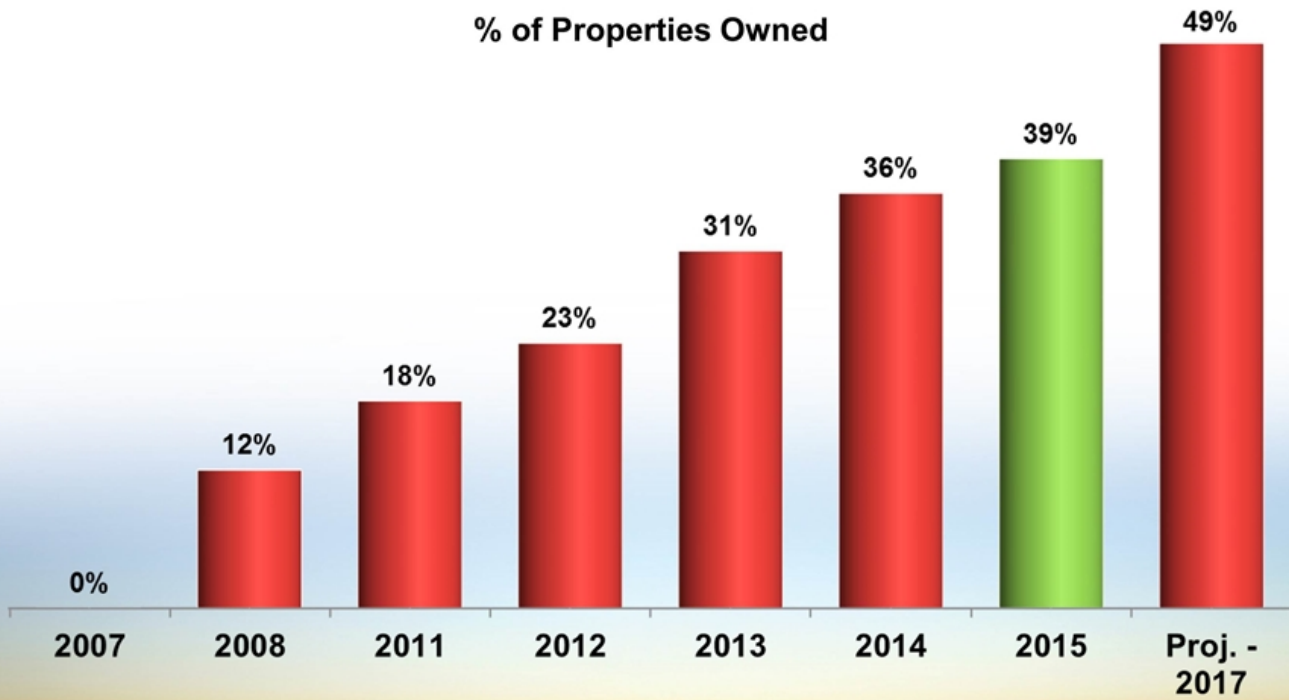
## ACQUISITIONS & OPEN POINTS

- Open Points
  - ❑ Mercedes Benz in Dallas Market
    - Operational in 2016
  - ❑ Audi in Pensacola Market
    - Operational in 2016
  - ❑ Nissan in TN Market
    - Operational in late 2016 / early 2017
- Exploring Acquisition and Open Point Opportunities in Other Markets



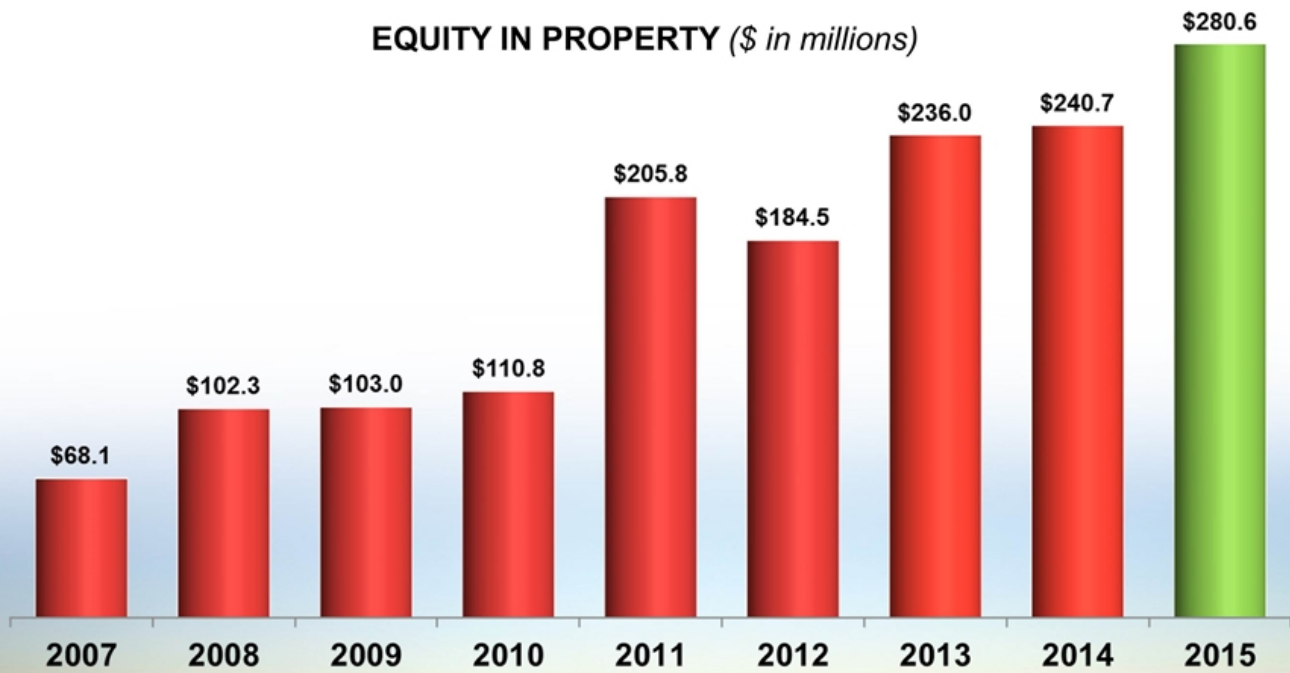
# STRATEGIC FOCUS OWN OUR PROPERTIES

% of Properties Owned



# STRATEGIC FOCUS OWN OUR PROPERTIES

EQUITY IN PROPERTY (\$ in millions)



Note: Calculated as net book value less mortgage balance.

# STRATEGIC FOCUS

## RETURN CAPITAL TO SHAREHOLDERS

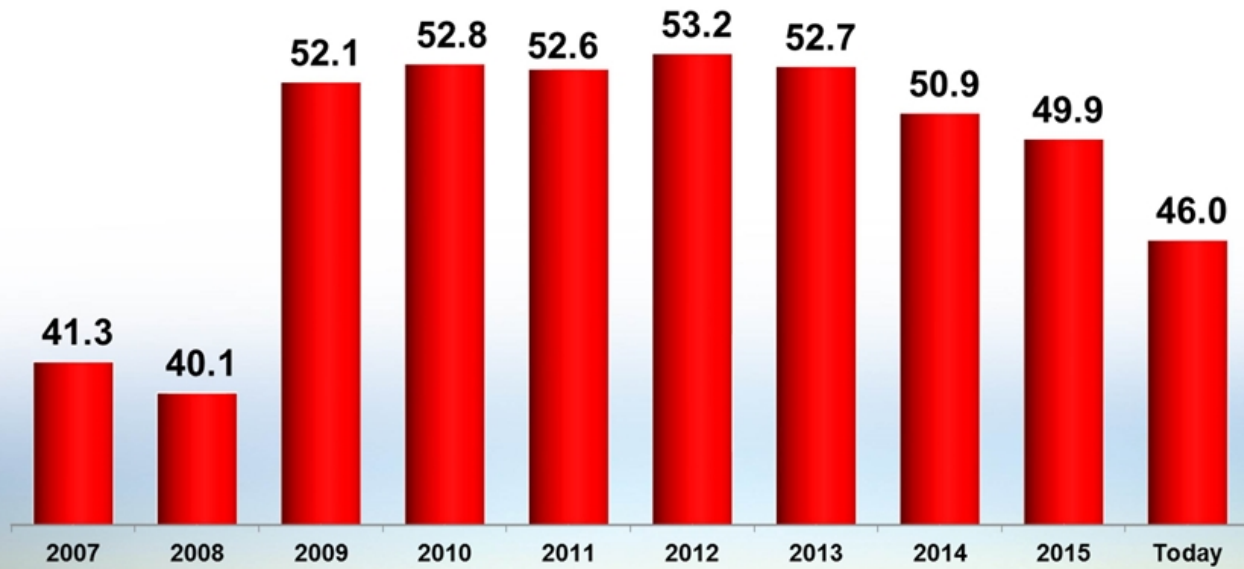
	SHARE REPURCHASES			
	(000's) Shares	\$/Share	(000's) \$	(000's) Availability
Total 2015 Activity	1,519	\$22.70	\$ 34,483	\$ 45,003
Additional Authorization				\$ 100,000
Q1 Activity	3,970	\$ 18.14	\$ 72,020	\$ 72,984

Acquired 7.9% of 12/31/2015 OS in 2016  
 New Share Count = 46.0M Down from High of 53.2M (Dec 2012)

# STRATEGIC FOCUS

## RETURN CAPITAL TO SHAREHOLDERS

OUTSTANDING SHARE COUNT AT YEAR END *(in millions)*



Note – These amounts exclude the effect of share dilution from convertible notes and equity grants outstanding.

# Q4 2015 FINANCIAL REVIEW

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# Q4 2015 FINANCIAL REVIEW FRANCHISED SEGMENT

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# FRANCHISED SEGMENT Q4 2015 RESULTS

(amounts in millions, except per share data)	Q4 2015 <sup>(1)</sup>	B/(W) than Q4 2014 <sup>(1)</sup>	
		\$	%
Revenue	\$2,452	\$106	4.5%
Gross Profit	\$361	\$13	3.9%
SG&A as % of Gross	75.4%		(190) bps
Operating Profit	\$72	(\$5)	(6.7%)
Interest & Other	(\$18)	(\$0)	(2.2%)
Pretax	\$54	(\$6)	(9.4%)
Diluted EPS	\$0.65	(\$0.06)	(8.5%)

(1) – Q4 2015 and Q4 2014 are adjusted – see appendix for reconciliation to GAAP amounts  
 Note – Continuing operations includes results of sold stores after March 31, 2014.

# Q4 2015 FINANCIAL REVIEW ECHOPARK® SEGMENT

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# ECHOPARK<sup>®</sup> SEGMENT Q4 2015 RESULTS

(amounts in millions, except per share, unit and per unit data)	Q4 2015	B/(W) than Q4 2014	
		\$	%
Revenue	\$18	\$13	NM
Gross Profit	\$2	\$2	NM
Operating Profit	(\$3)	\$4	NM
Interest & Other	(\$0)	(\$0)	NM
Pretax	(\$4)	\$3	49.3%
Diluted EPS	(\$0.04)	\$0.04	50.0%
Retail Units	764	552	NM
GPU	\$1,233	\$1,817	NM
F&I (\$/unit)	\$1,047	\$142	15.7%

NM – Not Meaningful

# Q4 2015 FINANCIAL REVIEW TOTAL ENTERPRISE

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# CONSOLIDATED Q4 2015 RESULTS

(amounts in millions, except per share data)	Q4 2015 (1)	B/(W) than Q4 2014 (1)	
		\$	%
Revenue	\$2,471	\$119	5.1%
Gross Profit	\$364	\$15	4.4%
SG&A as % of Gross	76.2%		(70) bps
Operating Profit	\$69	(\$1)	(2.1%)
Interest & Other	(\$18)	(\$1)	(3.7%)
Continuing Ops:			
Profit (after tax)	\$31	(\$2)	(5.2%)
Diluted EPS	\$0.61	(\$0.02)	(3.2%)

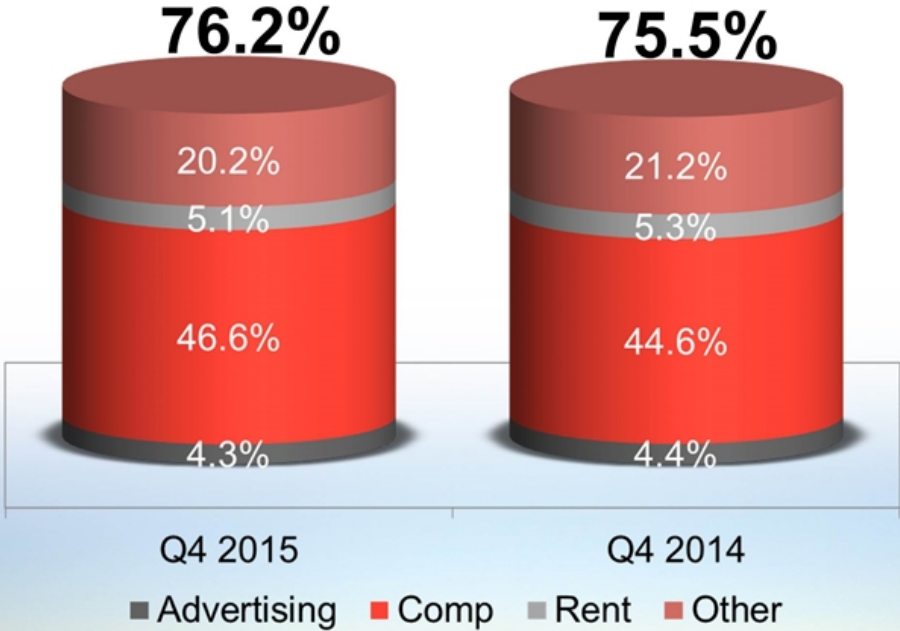
(1) – Q4 2015 and Q4 2014 are adjusted – see appendix for reconciliation to GAAP amounts  
 Note – Continuing operations includes results of sold stores after March 31, 2014.

# Q4 2015 REVENUE & GROSS PROFIT

(amounts in millions, except per share data)	Q4 2015	B/(W) than Q4 2014	
		\$	%
New Retail Revenue	\$1,378	\$40	3.0%
Used Retail Revenue	\$607	\$44	7.9%
Fixed Operations Revenue	\$345	\$22	6.9%
F&I Revenue	\$84	\$7	9.2%
Total Revenue	\$2,471	\$119	5.1%
New Retail Gross	\$74	(\$4)	(5.6%)
Used Retail Gross	\$39	\$1	2.5%
Fixed Operations Gross	\$169	\$13	8.2%
F&I Gross	\$84	\$7	9.2%
Total Gross	\$364	\$15	4.4%

Strong Growth in Used, Fixed and F&I Offset by  
New Gross Compression

# Q4 2015 ADJUSTED SG&A<sup>(1)</sup> TO GROSS

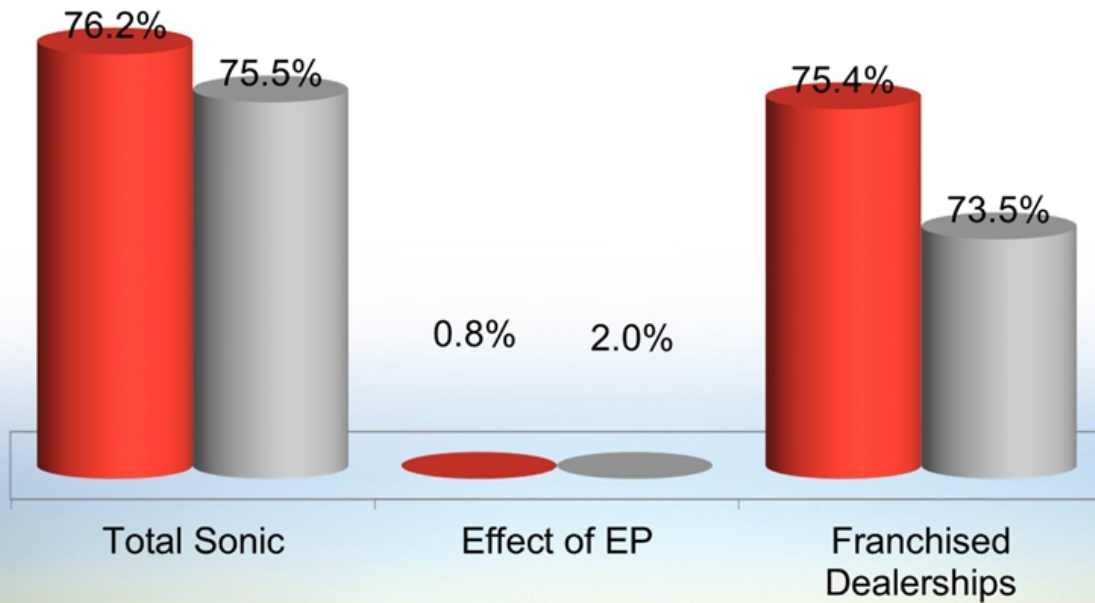


(1) – Q4 2015 and Q4 2014 are adjusted – see appendix for reconciliation to GAAP amounts



# Q4 2015 ADJUSTED SG&A<sup>(1)</sup> TO GROSS

■ 2015 ■ 2014



(1) – Q4 2015 and Q4 2014 are adjusted – see appendix for reconciliation to GAAP amounts

# Q4 2015 INTEREST EXPENSE

(amounts in millions, except per share data)	Q4 2015	B/(W) than Q4 2014	
		\$	%
Floor Plan Interest Expense	\$6	(\$1)	(20.4%)
Interest Expense, Other	\$12	\$0	2.7%
<b>Total Interest Expense</b>	<b>\$18</b>	<b>(\$1)</b>	<b>(3.7%)</b>

Floorplan Increase Due to Higher Balances



# FULL YEAR 2015 FINANCIAL REVIEW

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FULL YEAR 2015 FINANCIAL  
REVIEW  
FRANCHISED SEGMENT



# FRANCHISED SEGMENT FY 2015 RESULTS

(amounts in millions, except per share data)	FY 2015 <sup>(1)</sup>	B/(W) than FY 2014 <sup>(1)</sup>	
		\$	%
Revenue	\$9,547	\$356	3.9%
Gross Profit	\$1,405	\$39	2.9%
SG&A as % of Gross	77.4%		0 bps
Operating Profit	\$252	\$2	0.8%
Interest & Other	(\$71)	\$1	1.0%
Pretax	\$181	\$3	1.6%
Diluted EPS	\$2.16	\$0.08	3.8%

(1) – 2015 and 2014 are adjusted – see appendix for reconciliation to GAAP amounts

# FULL YEAR 2015 FINANCIAL REVIEW ECHOPARK® SEGMENT

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# ECHOPARK® SEGMENT FY 2015 RESULTS

(amounts in millions, except per share, unit and per unit data)	FY 2015 (1)	B/(W) than FY 2014 (1)	
		\$	%
Revenue	\$77	\$72	NM
Gross Profit	\$10	\$9	NM
Operating Profit	(\$15)	\$0	2.7%
Interest & Other	(\$1)	(\$1)	NM
Pretax	(\$16)	(\$1)	(3.7%)
Diluted EPS	(\$0.19)	(\$0.01)	(5.6%)
Retail Units	3,225	3,013	NM
GPU	\$1,341	\$1,926	NM
F&I (\$/unit)	\$943	\$38	4.2%

(1) – 2015 and 2014 are adjusted – see appendix for reconciliation to GAAP amounts

NM – Not meaningful

FULL YEAR 2015 FINANCIAL  
REVIEW  
TOTAL ENTERPRISE



# CONSOLIDATED FY 2015 RESULTS

(amounts in millions, except per share data)	FY 2015 (1)	B/(W) than FY 2014 (1)	
		\$	%
Revenue	\$9,624	\$427	4.6%
Gross Profit	\$1,415	\$49	3.6%
SG&A as % of Gross	78.4%		20 bps
Operating Profit	\$237	\$3	1.1%
Interest & Other	(\$72)	(\$0)	(0.3%)
Continuing Ops: Profit (after tax)	\$100	\$0	0.1%
Diluted EPS	\$1.97	\$0.07	3.7%

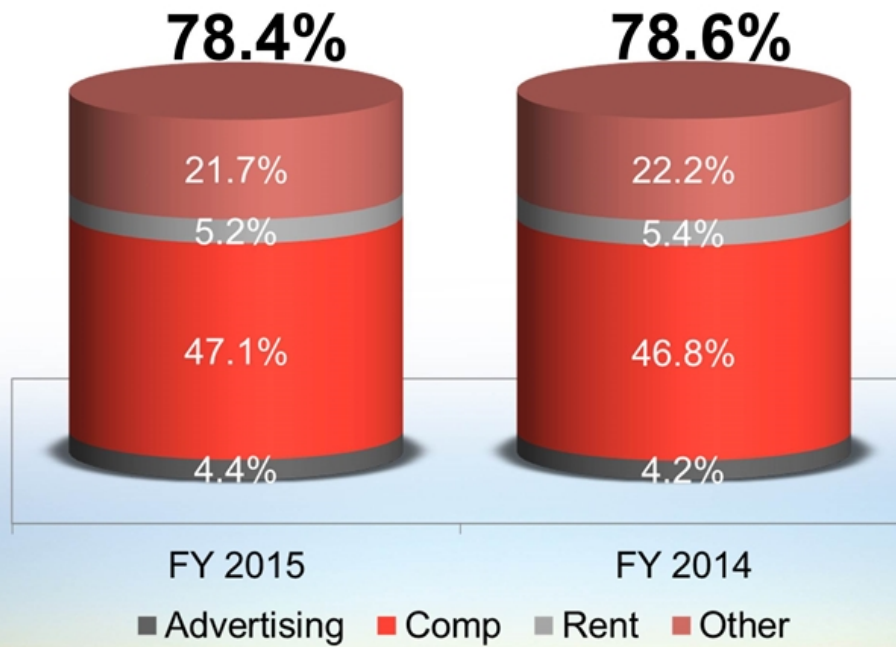
(1) – 2015 and 2014 are adjusted – see appendix for reconciliation to GAAP amounts

# FY 2015 REVENUE & GROSS PROFIT

(amounts in millions, except per share data)	FY 2015	B/(W) than FY 2014	
		\$	%
New Retail Revenue	\$5,206	\$160	3.2%
Used Retail Revenue	\$2,512	\$202	8.7%
Fixed Operations Revenue	\$1,365	\$68	5.3%
F&I Revenue	\$327	\$26	8.8%
Total Revenue	\$9,624	\$427	4.6%
New Retail Gross	\$268	(\$19)	(6.6%)
Used Retail Gross	\$162	\$5	3.1%
Fixed Operations Gross	\$665	\$42	6.7%
F&I Gross	\$327	\$26	8.8%
Total Gross	\$1,415	\$49	3.6%

Strong Growth in Used, Fixed and F&I Offset by  
New Gross Compression

# FY 2015 SG&A<sup>(1)</sup> TO GROSS

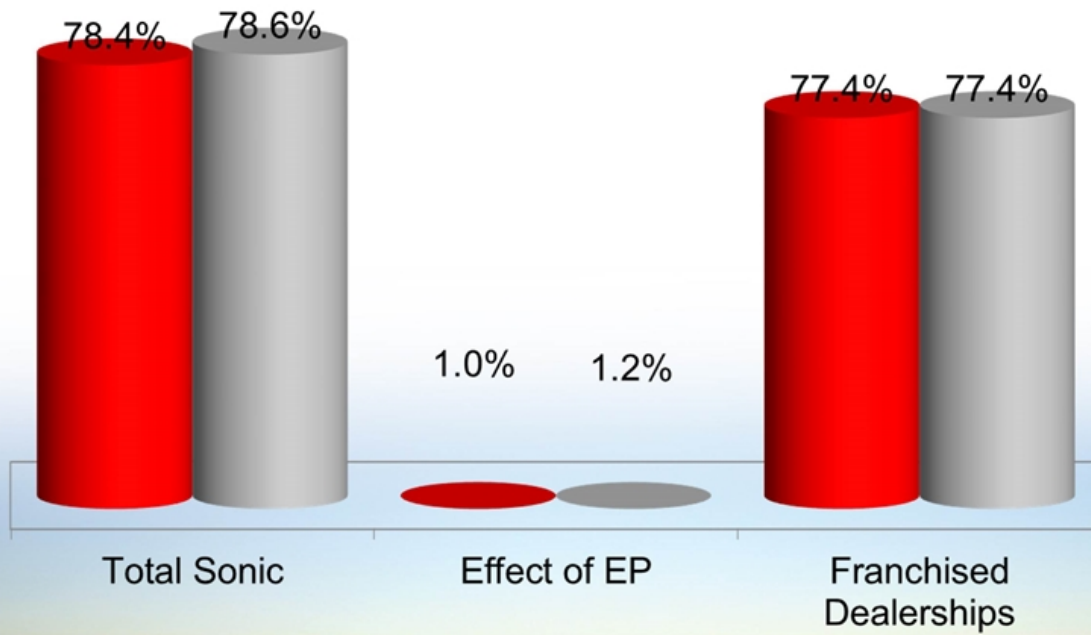


(1) – 2015 and 2014 are adjusted – see appendix for reconciliation to GAAP amounts



# FY 2015 SG&A<sup>(1)</sup> TO GROSS

■ 2015 ■ 2014



(1) – 2015 and 2014 are adjusted – see appendix for reconciliation to GAAP amounts

# FY 2015 INTEREST EXPENSE

(amounts in millions, except per share data)

	FY 2015	B/(W) than FY 2014	
		\$	%
Floor Plan Interest Expense	\$21	(\$3)	(13.5%)
Interest Expense, Other	\$51	\$2	4.3%
Total Interest Expense	\$72	(\$0)	(0.4%)

Floorplan Increase Due to Higher Balances

# ADJUSTED EBITDA TREND

(\$'s in millions)



\* – See appendix for reconciliation of Adjusted EBITDA to associated GAAP amounts.

# FY 2015 CAPEX

(amounts in millions)	FY 2015	Estimated 2016
Real Estate & Facility Related	\$ 138.1	\$ 216.1
All Other Cap Ex	34.3	36.8
Subtotal	\$ 172.4	\$ 252.9
Less: Mortgage Funding	(69.0)	(168.4)
Total Cash Used – Cap Ex	\$ 103.4	\$ 84.5

# DEBT COVENANTS

	Covenant	Actual Q4 2015
Liquidity Ratio	$\geq 1.05$	1.19
Fixed Charge Coverage Ratio	$\geq 1.20$	1.78
Total Lease Adjusted Leverage Ratio	$\leq 5.50$	4.08

Compliant with all Covenants

# OPERATIONS REVIEW

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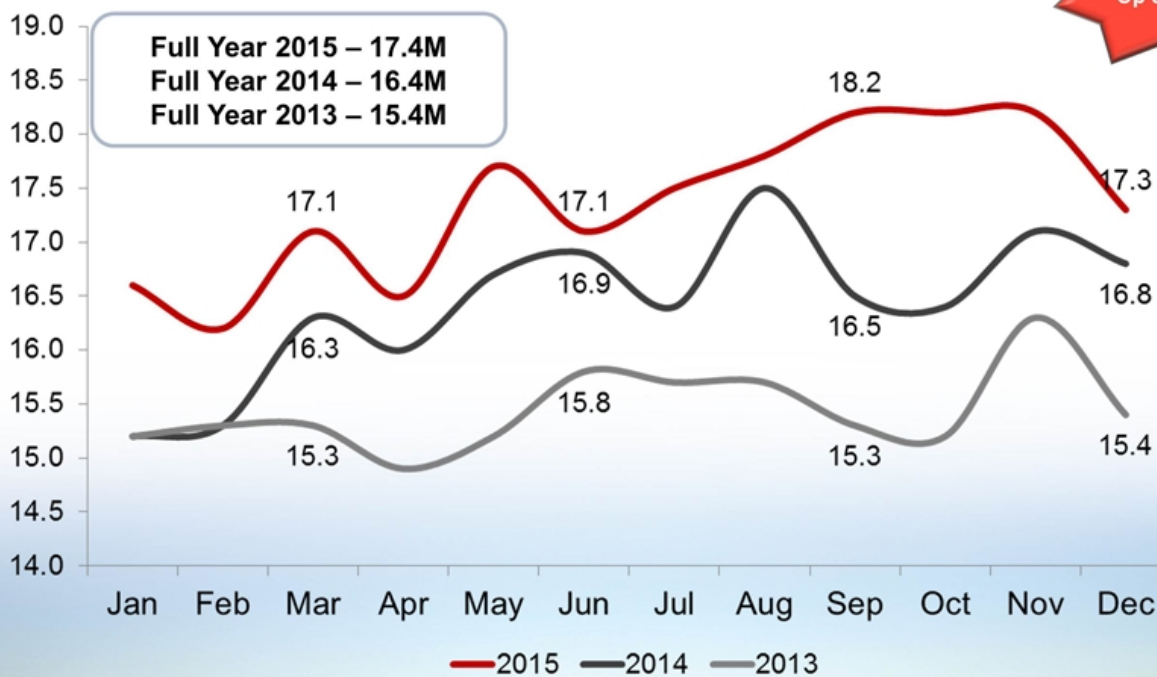
# NEW VEHICLE RETAIL SAME STORE

	Q4 2015	Q4 2014	B/(W)
Retail Volume	35,058	34,321	2.1%
Selling Price	\$ 39,059	\$ 38,475	1.5%
Gross Margin %	5.4%	5.9%	(50) bps
GPU	\$ 2,112	\$ 2,270	\$ (157)
Gross Profit	\$ 74.1	\$ 77.9	(4.9%)
SAAR (million)	17.9	16.8	6.8%

Q4 volume  
record for  
current store  
group

# NEW VEHICLE SAAR

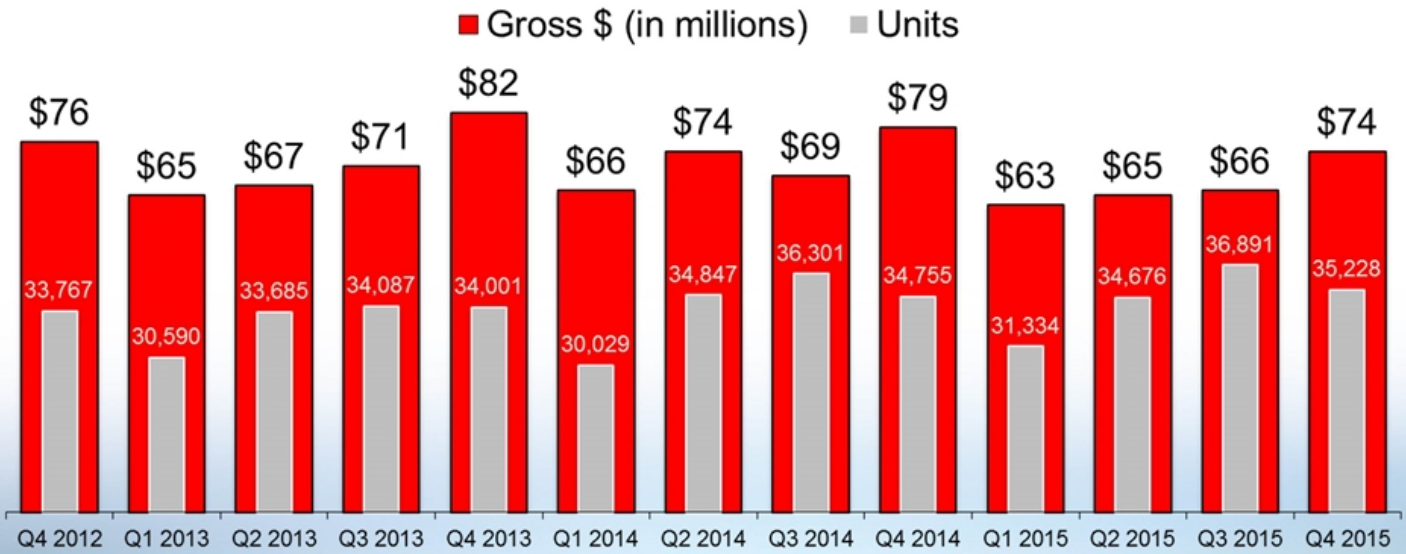
4th QTR  
Up 6.8%





# NEW VEHICLE – GROSS & UNIT TREND

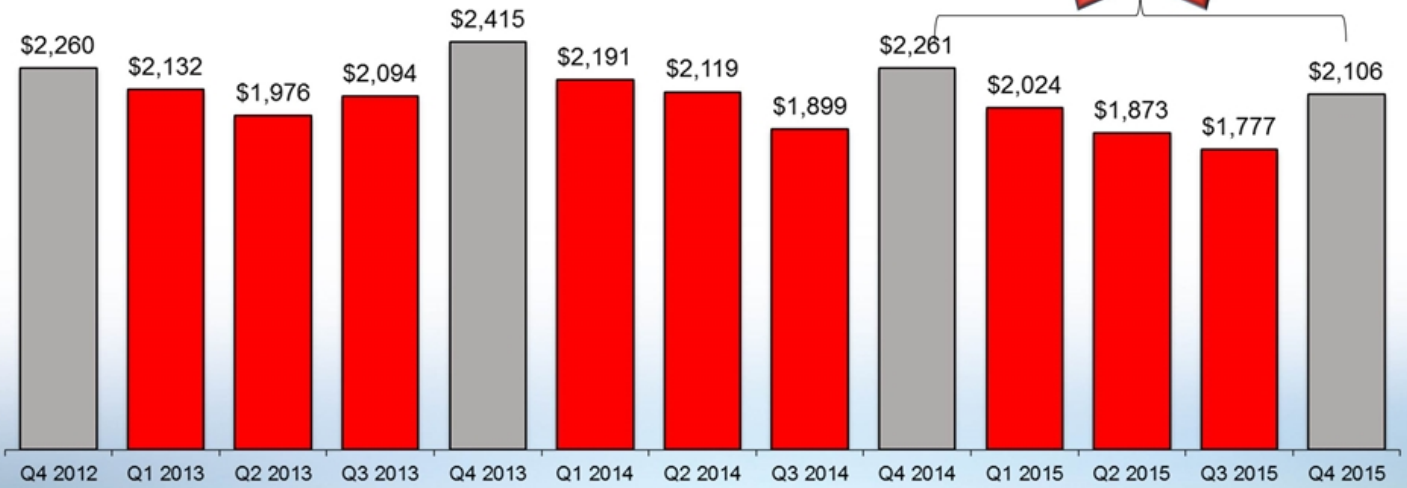
Continuing Operations



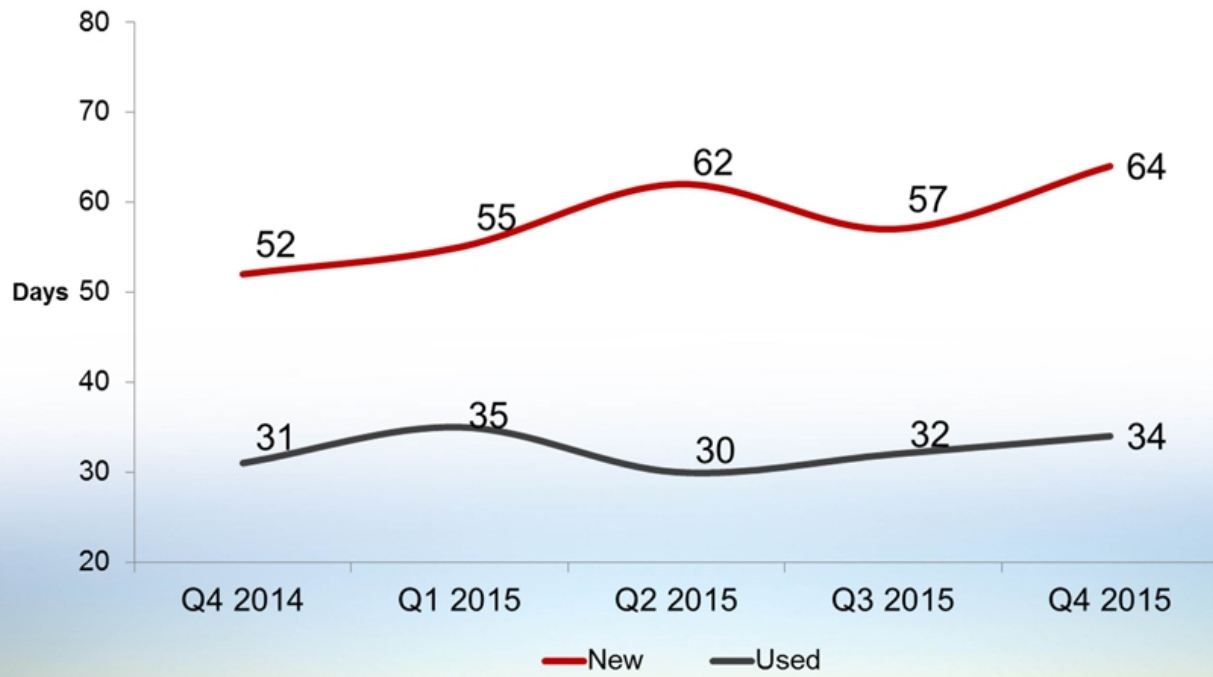
# NEW VEHICLE – GROSS PER UNIT

Continuing Operations

Decline primarily relates to BMW, MB & Audi



# VEHICLE DAYS SUPPLY



# USED VEHICLE RETAIL

## SAME STORE

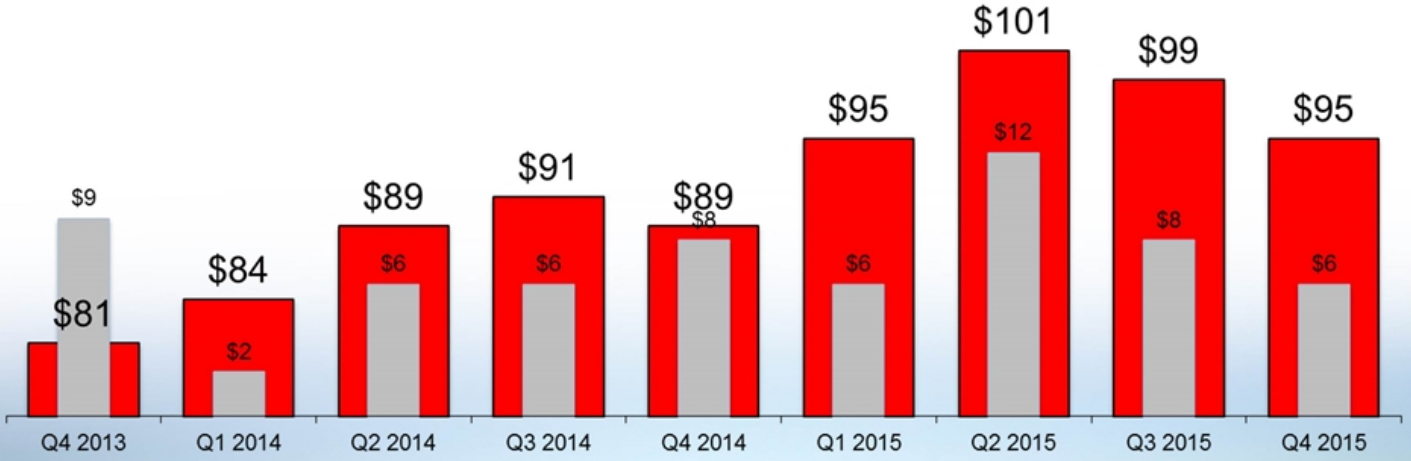
	Q4 2015	Q4 2014	B/(W)
Retail Volume	27,182	25,597	6.2%
GPU	\$ 1,380	\$ 1,446	\$ (65)
Used to New	0.78 to 1.00	0.75 to 1.00	0.03
Vehicles/Store/Mth (97 stores)	94	89	5

Q4 volume  
record for  
ANY store  
group

# USED VEHICLE – GROSS TREND

Continuing Operations

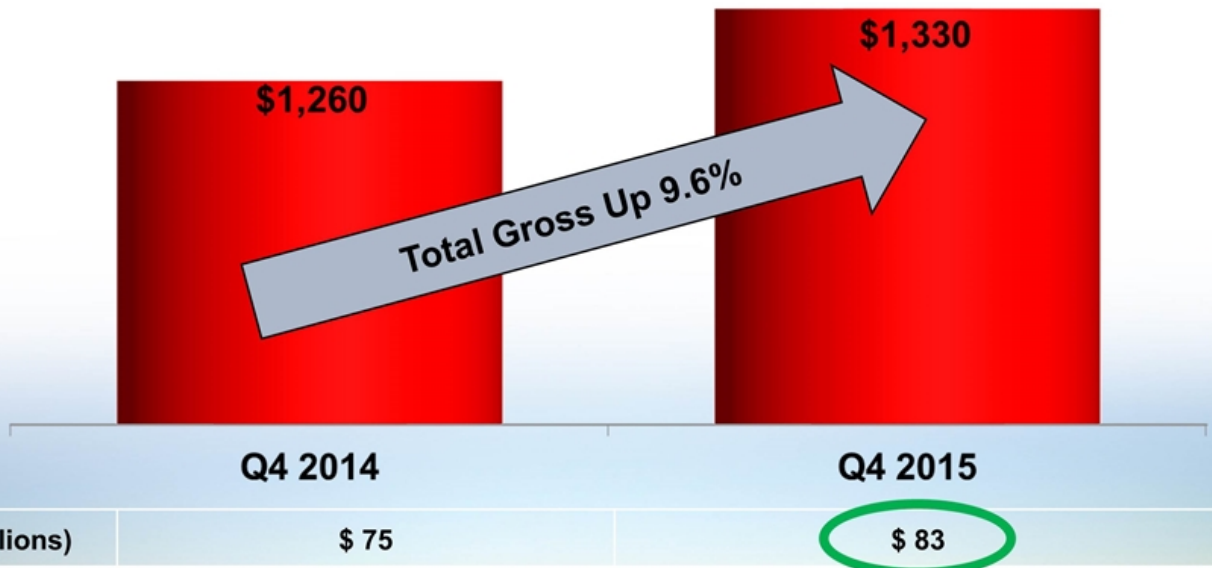
■ Used Related Gross \$\*    ■ YOY Incremental Gross  
(\$'s in millions)



\* - Used Related Gross = (Used Gross + F&I + Reconditioning)

# F&I SAME STORE

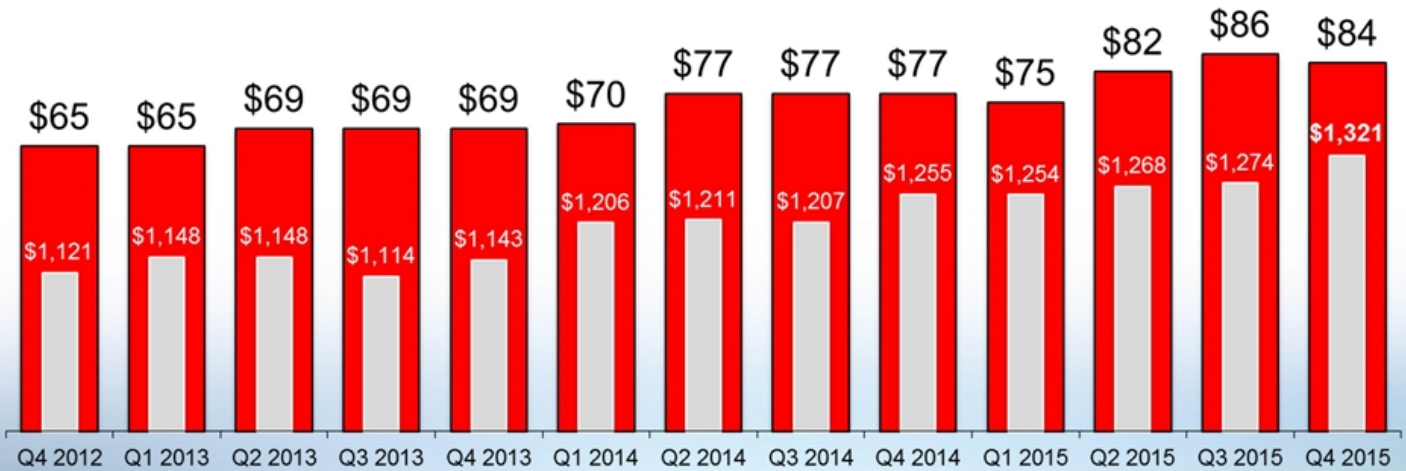
Higher PUR accounted for \$4.4M of the overall \$7.3M increase in F&I Gross



# F&I – GROSS & PUR TREND

Continuing Operations

■ Gross \$ (in millions) ■ GPU\$

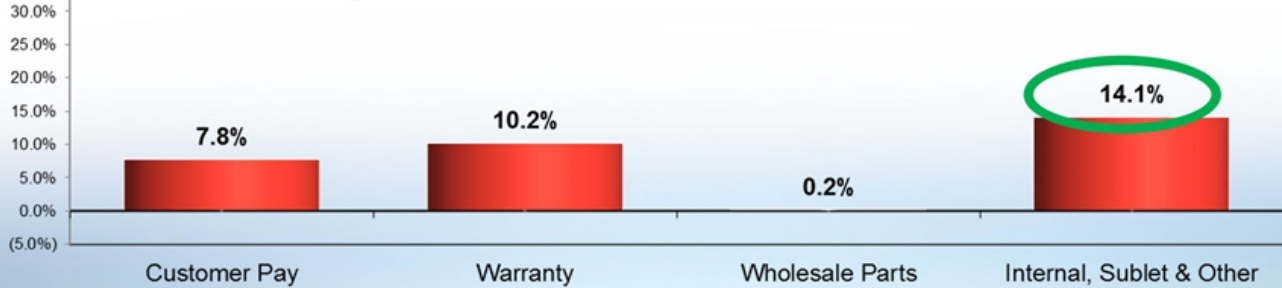


# FIXED OPS SAME STORE



	Q4 2015	Q4 2014	B/(W)
Revenue	\$ 341	\$ 315	8.1%
Gross Profit	\$ 167	\$ 153	9.6%

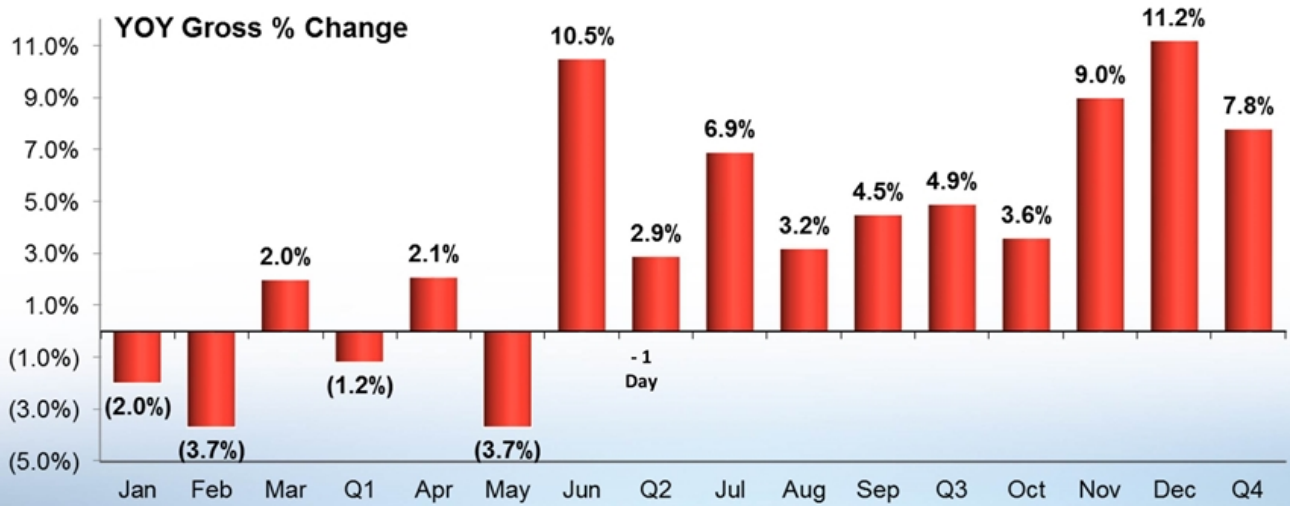
YOY Gross % Change





# FIXED OPS

## SAME STORE – CUSTOMER PAY

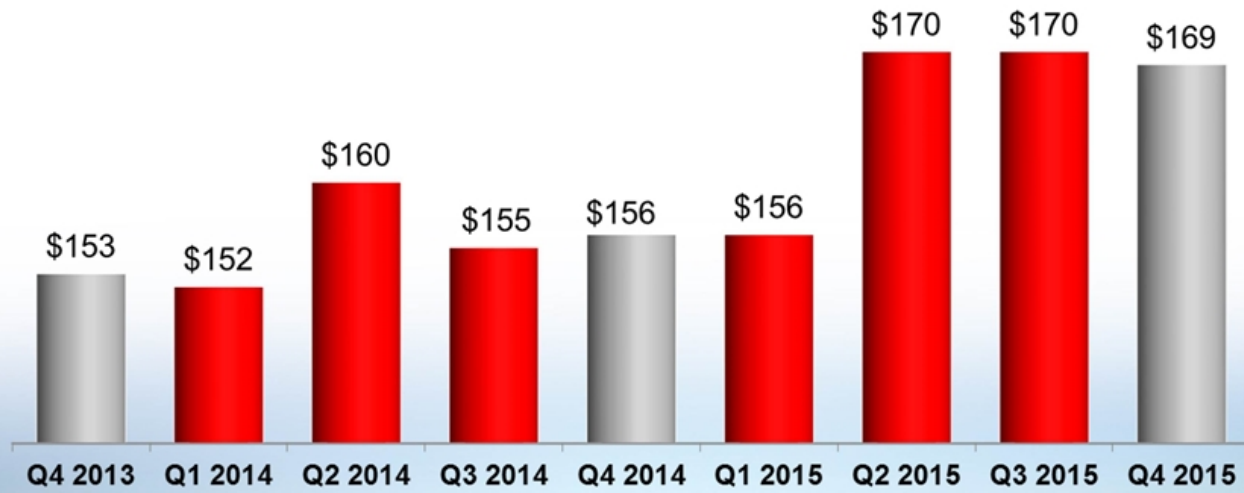


**We continue to perform better in CP – the moves we have made in our shops and the increased level of technicians is paying off**

# FIXED OPERATIONS – GROSS TREND

## Continuing Operations

(\$'s in millions)



# SUMMARY

- ❑ Continued to grow the top-line in each revenue category achieving record results
- ❑ New vehicle GPU pressure experienced across the public dealership group
- ❑ Fixed operations and F&I continued to exhibit opportunities for growth
- ❑ Significant milestones / achievements in 2015
  - Begin scaling of EchoPark®
  - OSOE pilot – understanding opportunities and challenges
  - Gained ground on owning properties – now at 39%
  - Returned \$40.0 million to shareholders through share repurchases and dividends (returned an additional \$73M so far in Q1 2016)

# 2016 PLAN

- ❑ 2016 Plan
  - ❖ Expect new car industry volume to be between 17.3M to 17.6M units
  - ❖ We will continue to increase pre-owned volume in the mid-single digits
  - ❖ Expect fixed operations to grow at mid-single digits
  - ❖ Costs related to EchoPark®, OSOE to continue

## 2016 Continued Ops EPS Guidance:

- |                              |                     |
|------------------------------|---------------------|
| • New Car Franchise Business | \$2.28 - \$2.40     |
| • Effect of EchoPark®        | (\$0.21) – (\$0.23) |
| • Total Sonic                | \$2.07 - \$2.17     |



# APPENDIX

# NON-GAAP RECONCILIATIONS

<i>(amounts in thousands)</i>	2009	2010	2011	2012	2013	2014	2015
Net Income	\$ 31,548	\$ 89,929	\$ 76,254	\$ 89,101	\$ 81,618	\$ 97,217	\$ 86,311
Non-Floorplan Interest	67,735	68,604	63,576	58,453	55,356	52,269	49,524
Depreciation & Amort	57,036	45,827	51,164	52,616	58,139	62,161	72,130
Income Taxes	(53,900)	(19,745)	46,907	47,648	43,386	62,346	55,962
Stock Comp	1,931	2,814	3,698	5,160	7,208	7,675	9,814
Lease Exit	33,013	4,266	4,384	4,286	2,915	302	1,848
Impairment	30,038	249	1,151	950	9,872	6,594	17,955
Loss (Gain) on Debt Exting	6,745	7,665	1,107	19,713	28,238	-	-
Loss (Gain) on Dealership Disposal	102	(2,615)	386	(10,343)	457	(11,279)	(2,748)
Adjusted EBITDA	<u>\$ 174,248</u>	<u>\$ 196,994</u>	<u>\$ 248,627</u>	<u>\$ 267,584</u>	<u>\$ 287,189</u>	<u>\$ 277,285</u>	<u>\$ 290,796</u>

# NON-GAAP RECONCILIATIONS

This release contains certain non-GAAP financial measures (the "Adjusted" amounts) 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" amounts) 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.

	Consolidated Three Months Ended December 31,		Franchised Dealerships Three Months Ended December 31,		EchoPark® Three Months Ended December 31,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
SG&A Reconciliation:						
As Reported .....	\$ 275.0	\$ 264.4	\$ 270.1	\$ 257.2	\$ 4.9	\$ 7.2
Pre-tax Adjustments:						
Gain on disposal .....	2.3	0.2	2.3	0.2	-	-
Storm damage and other .....	-	(1.5)	-	(1.5)	-	-
Total pre-tax adjustments .....	2.3	(1.3)	2.3	(1.3)	-	-
Adjusted SG&A .....	\$ 277.3	\$ 263.1	\$ 272.4	\$ 255.9	\$ 4.9	\$ 7.2
SG&A as % of Gross Reconciliation:						
As Reported .....	75.6%	75.9%	74.7%	73.9%	NM	NM
Pre-tax Adjustments:						
Gain on disposal .....	0.6%	0.0%	0.7%	0.0%	NM	NM
Storm damage and other .....	0.0%	(0.4%)	0.0%	(0.4%)	NM	NM
Total pre-tax adjustments .....	0.6%	(0.4%)	0.7%	(0.4%)	NM	NM
Adjusted SG&A as % of Gross .....	76.2%	75.5%	75.4%	73.5%	NM	NM

NM = Not meaningful

# NON-GAAP RECONCILIATIONS

	Consolidated Three Months Ended December 31,		Franchised Dealerships Three Months Ended December 31,		EchoPark® Three Months Ended December 31,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
<b>Operating Profit Reconciliation:</b>						
As Reported .....	\$ 69.7	\$ 62.5	\$ 73.0	\$ 69.5	\$ (3.3)	\$ (7.0)
<b>Pre-tax Adjustments:</b>						
SG&A .....	(2.3)	1.3	(2.3)	1.3	-	-
Impairment charges .....	1.3	6.4	1.3	6.4	-	-
Total pre-tax adjustments .....	(1.0)	7.7	(1.0)	7.7	-	-
Adjusted Operating Profit .....	<u>\$ 68.7</u>	<u>\$ 70.2</u>	<u>\$ 72.0</u>	<u>\$ 77.2</u>	<u>\$ (3.3)</u>	<u>\$ (7.0)</u>
<b>Pre-tax Profit from Continuing Operations Reconciliation:</b>						
As Reported .....	\$ 51.6	\$ 45.0	\$ 55.1	\$ 52.0	\$ (3.5)	\$ (7.0)
<b>Pre-tax Adjustments:</b>						
SG&A .....	(2.3)	1.3	(2.3)	1.3	-	-
Impairment charges .....	1.3	6.4	1.3	6.4	-	-
Total pre-tax adjustments .....	(1.0)	7.7	(1.0)	7.7	-	-
Adjusted Pre-tax Profit from Continuing Operations .....	<u>\$ 50.6</u>	<u>\$ 52.7</u>	<u>\$ 54.1</u>	<u>\$ 59.7</u>	<u>\$ (3.5)</u>	<u>\$ (7.0)</u>
<b>Profit from Continuing Operations (after-tax) Reconciliation:</b>						
As Reported .....	\$ 31.5	\$ 27.0				
<b>After-tax Adjustments:</b>						
SG&A .....	(1.4)	0.7				
Impairment charges .....	0.8	3.9				
Permanent tax differences from disposals .....	-	0.9				
Total after-tax adjustments .....	(0.6)	5.5				
Adjusted Profit from Continuing Operations (after-tax) .....	<u>\$ 30.9</u>	<u>\$ 32.5</u>				



# NON-GAAP RECONCILIATIONS

	Consolidated Twelve Months Ended December 31,		Franchised Dealerships Twelve Months Ended December 31,		EchoPark® Twelve Months Ended December 31,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
SG&A Reconciliation:						
As Reported .....	\$ 1,110.6	\$ 1,067.4	\$ 1,088.7	\$ 1,051.5	\$ 21.9	\$ 15.9
Pre-tax Adjustments:						
Gain on disposal .....	3.3	10.7	3.3	10.7	-	-
Storm damage, severance and other .....	(5.2)	(5.0)	(5.2)	(5.0)	-	-
Total pre-tax adjustments .....	(1.9)	5.7	(1.9)	5.7	-	-
Adjusted SG&A .....	<u>\$ 1,108.7</u>	<u>\$ 1,073.1</u>	<u>\$ 1,086.8</u>	<u>\$ 1,057.2</u>	<u>\$ 21.9</u>	<u>\$ 15.9</u>
SG&A as % of Gross Reconciliation:						
As Reported .....	78.5%	78.1%	77.5%	77.0%	NM	NM
Pre-tax Adjustments:						
Gain on disposal .....	0.2%	0.8%	0.2%	0.8%	NM	NM
Storm damage, severance and other .....	(0.3%)	(0.3%)	(0.3%)	(0.4%)	NM	NM
Total pre-tax adjustments .....	(0.1%)	0.5%	(0.1%)	0.4%	NM	NM
Adjusted SG&A as % of Gross .....	<u>78.4%</u>	<u>78.6%</u>	<u>77.4%</u>	<u>77.4%</u>	<u>NM</u>	<u>NM</u>

NM = Not meaningful

# NON-GAAP RECONCILIATIONS

	Consolidated Twelve Months Ended December 31,		Franchised Dealerships Twelve Months Ended December 31,		EchoPark® Twelve Months Ended December 31,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
<b>Operating Profit Reconciliation:</b>						
As Reported .....	\$ 217.3	\$ 233.6	\$ 233.9	\$ 249.4	\$ (16.6)	\$ (15.8)
<b>Pre-tax Adjustments:</b>						
SG&A .....	1.9	(5.6)	1.9	(5.6)	-	-
Impairment charges .....	17.9	6.5	16.5	6.3	1.4	0.2
Total pre-tax adjustments .....	19.8	0.9	18.4	0.7	1.4	0.2
Adjusted Operating Profit .....	<u>\$ 237.1</u>	<u>\$ 234.5</u>	<u>\$ 252.3</u>	<u>\$ 250.1</u>	<u>\$ (15.2)</u>	<u>\$ (15.6)</u>
<b>Pre-tax Profit from Continuing Operations Reconciliation:</b>						
As Reported .....	\$ 145.2	\$ 161.7	\$ 162.9	\$ 177.6	\$ (17.7)	\$ (15.9)
<b>Pre-tax Adjustments:</b>						
SG&A .....	1.9	(5.6)	1.9	(5.6)	-	-
Impairment charges .....	17.9	6.5	16.5	6.3	1.4	0.2
Total pre-tax adjustments .....	19.8	0.9	18.4	0.7	1.4	0.2
Adjusted Pre-tax Profit from Continuing Operations .....	<u>\$ 165.0</u>	<u>\$ 162.6</u>	<u>\$ 181.3</u>	<u>\$ 178.3</u>	<u>\$ (16.3)</u>	<u>\$ (15.7)</u>
<b>Profit from Continuing Operations (after-tax) Reconciliation:</b>						
As Reported .....	\$ 88.1	\$ 98.6				
<b>After-tax Adjustments:</b>						
SG&A .....	1.2	(4.0)				
Impairment charges .....	10.9	4.5				
Permanent tax differences from disposals .....	-	0.9				
Total after-tax adjustments .....	12.1	1.4				
Adjusted Profit from Continuing Operations (after-tax) .....	<u>\$ 100.2</u>	<u>\$ 100.0</u>				

# NON-GAAP RECONCILIATIONS

	Three Months Ended December 31, 2015						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share	Amount	Per Share	Amount	Per Share
			Amount		Amount		Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares . . . . .	49,872	\$ 31,507		\$ (449)		\$ 31,058	
Effect of participating securities:							
Non-vested restricted stock . . . . .		(13)		-		(13)	
Basic earnings (loss) and shares . . . . .	49,872	\$ 31,494	\$ 0.63	\$ (449)	\$ (0.01)	\$ 31,045	\$ 0.62
Effect of dilutive securities:							
Stock compensation plans . . . . .	406						
Diluted earnings (loss) and shares (1) . . . . .	50,278	\$ 31,494	\$ 0.63	\$ (449)	\$ (0.01)	\$ 31,045	\$ 0.62
Adjustments (net of tax):							
Gain on disposal . . . . .		\$ (1,417)	\$ (0.03)	\$ -	\$ -	\$ (1,417)	\$ (0.03)
Impairment charges . . . . .		766	0.01	-	-	766	0.01
Total adjustments . . . . .		\$ (651)	\$ (0.02)	\$ -	\$ -	\$ (651)	\$ (0.02)
Adjusted:							
Earnings (loss) and							
Diluted earnings (loss) per share (1) . . . . .		\$ 30,856	\$ 0.61	\$ (449)	\$ (0.01)	\$ 30,407	\$ 0.60

(1) Net loss attributable to EchoPark® operations was \$0.04 per fully diluted share in the three months ended December 31, 2015.

# NON-GAAP RECONCILIATIONS

Three Months Ended December 31, 2014						
	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
	Weighted Average Shares	Per Share	Amount	Per Share	Amount	Per Share
		Amount		Amount		Amount
(In thousands, except per share amounts)						
Reported:						
Earnings (loss) and shares . . . . .	51,272	\$ 26,957		\$ (831)		\$ 26,126
Effect of participating securities:						
Non-vested restricted stock and stock units . . . . .		(86)		-		(86)
Basic earnings (loss) and shares . . . . .	51,272	\$ 26,871	\$ 0.52	\$ (831)	\$ (0.01)	\$ 26,040
Effect of dilutive securities:						
Stock compensation plans . . . . .	562					
Diluted earnings (loss) and shares . . . . .	51,834	\$ 26,871	\$ 0.52	\$ (831)	\$ (0.02)	\$ 26,040
Adjustments (net of tax):						
Gain on disposal . . . . .		\$ (157)	\$ -	\$ -	\$ -	\$ (157)
Impairment charges . . . . .		3,943	0.08	-	-	3,943
Storm damage and other . . . . .		949	0.01	-	-	949
Permanent tax differences from disposals . . . . .		853	0.02	-	-	853
Total adjustments . . . . .		\$ 5,588	\$ 0.11	\$ -	\$ -	\$ 5,588
Adjusted:						
Earnings (loss) and Diluted earnings (loss) per share (2) . . . . .		\$ 32,545	\$ 0.63	\$ (831)	\$ (0.02)	\$ 31,714

(2) Net loss attributable to EchoPark® operations was \$0.08 per fully diluted share in the three months ended December 31, 2014.

# NON-GAAP RECONCILIATIONS

	Twelve Months Ended December 31, 2015						
	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
	(In thousands, except per share amounts)						
<b>Reported:</b>							
Earnings (loss) and shares . . . . .	50,489	\$ 88,091		\$ (1,780)		\$ 86,311	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		(36)		-		(36)	
Basic earnings (loss) and shares . . . . .	50,489	\$ 88,055	\$ 1.74	\$ (1,780)	\$ (0.03)	\$ 86,275	\$ 1.71
Effect of dilutive securities:							
Stock compensation plans . . . . .	394						
Diluted earnings (loss) and shares . . . . .	50,883	\$ 88,055	\$ 1.73	\$ (1,780)	\$ (0.03)	\$ 86,275	\$ 1.70
<b>Adjustments (net of tax):</b>							
Gain on disposal . . . . .		\$ (2,000)	\$ (0.04)	\$ -	\$ -	\$ (2,000)	\$ (0.04)
Impairment charges . . . . .		10,930	0.22	-	-	10,930	0.22
Storm damage and other . . . . .		3,134	0.06	-	-	3,134	0.06
Effect of rounding . . . . .		-	-	-	(0.01)	-	(0.01)
Total adjustments . . . . .		\$ 12,064	\$ 0.24	\$ -	\$ (0.01)	\$ 12,064	\$ 0.23
<b>Adjusted:</b>							
Earnings (loss) and Diluted earnings (loss) per share (3) . . . . .		\$ 100,155	\$ 1.97	\$ (1,780)	\$ (0.04)	\$ 98,375	\$ 1.93

(3) Net loss attributable to EchoPark® operations was \$0.19 per fully diluted share in the twelve months ended December 31, 2015.

# NON-GAAP RECONCILIATIONS

Twelve Months Ended December 31, 2014						
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
		Amount		Amount		Amount
(In thousands, except per share amounts)						
Reported:						
Earnings (loss) and shares	52,065	\$ 98,559		\$ (1,342)		\$ 97,217
Effect of participating securities:						
Non-vested restricted stock and stock units		(311)		-		(311)
Basic earnings (loss) and shares	52,065	\$ 98,248	\$ 1.89	\$ (1,342)	\$ (0.03)	\$ 96,906
Effect of dilutive securities:						
Stock compensation plans	498					
Diluted earnings (loss) and shares	52,563	\$ 98,248	\$ 1.87	\$ (1,342)	\$ (0.03)	\$ 96,906
Adjustments (net of tax):						
Gain on disposal		\$ (7,273)	\$ (0.14)	\$ -	\$ -	\$ (7,273)
Impairment charges		4,459	0.08	-	-	4,459
Storm damage and other		3,434	0.07	-	-	3,434
Permanent tax differences from disposals		853	0.02	-	-	853
Lease exit adjustments		-	-	(844)	(0.01)	(844)
Total adjustments		\$ 1,473	\$ 0.03	\$ (844)	\$ (0.01)	\$ 629
Adjusted:						
Earnings (loss) and Diluted earnings (loss) per share (4)		\$ 100,032	\$ 1.90	\$ (2,186)	\$ (0.04)	\$ 97,846

(4) Net loss attributable to EchoPark® operations was \$0.18 per fully diluted share in the twelve months ended December 31, 2014.

# NON-GAAP RECONCILIATIONS

	Three Months Ended December 31, 2015			Three Months Ended December 31, 2014		
	Continuing Operations			Continuing Operations		
	Franchised Dealerships	EchoPark®	Consolidated	Franchised Dealerships	EchoPark®	Consolidated
EPS Reconciliation:						
Reported diluted earnings (loss) and shares . . . . .	\$ 0.67	\$ (0.04)	\$ 0.63	\$ 0.60	\$ (0.08)	\$ 0.52
Adjustments:						
Gain on disposal . . . . .	(0.03)	-	(0.03)	-	-	-
Storm damage and other . . . . .	-	-	-	0.01	-	0.01
Impairment charges . . . . .	0.01	-	0.01	0.08	-	0.08
Permanent tax difference from disposals . . . . .	-	-	-	0.02	-	0.02
Adjusted diluted earnings (loss) and shares. . . . .	<u>\$ 0.65</u>	<u>\$ (0.04)</u>	<u>\$ 0.61</u>	<u>\$ 0.71</u>	<u>\$ (0.08)</u>	<u>\$ 0.63</u>
	Twelve Months Ended December 31, 2015			Twelve Months Ended December 31, 2014		
	Continuing Operations			Continuing Operations		
	Franchised Dealerships	EchoPark®	Consolidated	Franchised Dealerships	EchoPark®	Consolidated
EPS Reconciliation:						
Reported diluted earnings (loss) and shares . . . . .	\$ 1.94	\$ (0.21)	\$ 1.73	\$ 2.05	\$ (0.18)	\$ 1.87
Adjustments:						
Gain on disposal . . . . .	(0.04)	-	(0.04)	(0.14)	-	(0.14)
Storm damage and other . . . . .	0.06	-	0.06	0.07	-	0.07
Impairment charges . . . . .	0.20	0.02	0.22	0.08	-	0.08
Permanent tax difference from disposals . . . . .	-	-	-	0.02	-	0.02
Adjusted diluted earnings (loss) and shares. . . . .	<u>\$ 2.16</u>	<u>\$ (0.19)</u>	<u>\$ 1.97</u>	<u>\$ 2.08</u>	<u>\$ (0.18)</u>	<u>\$ 1.90</u>