



Sonic Announces Preliminary Sales for Fourth Quarter of Fiscal 2009 and Outlook for Coming Year

Sales-Driving and Operations Initiatives Continue to Gain Traction

OKLAHOMA CITY, Sep 17, 2009 (BUSINESS WIRE) -- Sonic Corp. (NASDAQ: SONC), the nation's largest chain of drive-in restaurants, today announced preliminary sales for the fourth quarter of fiscal year 2009, which ended August 31, 2009.

A challenging economic environment continued to constrain consumer discretionary spending and sales in the fourth quarter, with Sonic's same-store sales declining an estimated 4.5% for the system and 5.4% for partner drive-ins (those in which the company owns a majority interest). These declines are improvements from the company's sales performance for the third fiscal quarter and reflect the positive impact of Sonic's sales-driving initiatives. As a result of these initiatives, traffic for the quarter was relatively flat versus the prior year, a notable achievement given recent trends in the quick-service restaurant industry.

Drive-in openings totaled 41 for the fourth fiscal quarter, including 40 by franchisees, compared with 32 franchise drive-in openings in the third fiscal quarter and 45 franchise drive-in openings in the fourth quarter of the prior year. For the fiscal year, there were 130 franchise openings compared with 140 in the prior fiscal year. The pace of new drive-in openings continues to be solid despite tight credit market conditions that began a year ago.

"Although we have faced significant challenges this past year related to the consumer, we are confronting these hurdles and believe that our brand is well-positioned for long-term growth," said Clifford Hudson, Chairman and Chief Executive Officer. "During the past year, we have worked hard and have been pleased with the implementation of a slate of initiatives, which includes a new strategic pricing model, increased focus on customer service and the introduction of the Everyday Value Menu. In particular, the Everyday Value Menu has succeeded in driving traffic, which is critical in this environment. With the value menu in place, we will continue to focus on promotions that resonate with current consumer needs. We believe these initiatives, combined with a renewed emphasis on quality food and product and service differentiation, will position Sonic for improved sales performance as the economy strengthens.

"Another important initiative on which we made significant progress during fiscal 2009 was our refranchising program," Hudson continued. "During the year, we completed the refranchising of approximately 200 partner drive-ins to both new and existing franchisees, reflecting the confidence our franchisees have in our brand. With this initiative nearly complete, we have achieved our goal to decrease both financial and operational risks to our stockholders."

Fiscal 2010 Outlook

For fiscal 2010, Sonic expects net income per diluted share to increase in the range of 10% to 12% from fiscal 2009 reported earnings, excluding special gains and impairment charges. These expectations are based on the following assumptions:

- The opening of a total of 115 to 125 new drive-ins, including 100 to 110 by franchisees; Sonic has implemented a program intended to encourage franchise openings in developing markets and multiple-unit openings in fiscal 2010; the program will likely result in lower average franchise fees per new franchise drive-in opening;
- Flat same-store sales at both partner and franchise drive-ins;
- Improvements in restaurant-level margins as a result of a decline in commodity costs and the full-year benefit of refranchising approximately 200 partner drive-ins during fiscal 2009;
- Selling, general and administrative expenses of \$64 to \$65 million;
- Depreciation and amortization of \$42 to \$43 million;
- A \$3 million decline in interest expense reflecting lower debt levels;
- An income tax rate of between 37.5% and 38.5%;
- Capital expenditures in the range of \$30 to \$40 million; and
- Opportunistic use of excess cash to enhance earnings growth.

Fourth Quarter Release and Conference Call

Sonic expects to report its fourth quarter and fiscal year end results at the market close on October 20, 2009. The company will provide an online web simulcast of its earnings release conference call that afternoon beginning at 5:00 p.m. ET. During that call, management will comment on Sonic's financial and operational results for the fourth quarter and fiscal year ended August 31, 2009. An online replay of the conference call will be available approximately two hours after the conclusion of the live broadcast and will continue through November 20, 2009. A link to these events will be available at the investor section of the company's website, www.sonicdrivein.com.

About Sonic

Sonic, America's Drive-In, originally started as a hamburger and root beer stand in 1953 in Shawnee, Okla., called Top Hat Drive-In, and then changed its name to Sonic in 1959. The first drive-in to adopt the Sonic name is still serving customers in Stillwater, Okla. Sonic has more than 3,500 drive-ins coast to coast, where more than a million customers eat every day. For more information about Sonic Corp. and its subsidiaries, visit Sonic at www.sonicdrivein.com.

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements reflect management's expectations regarding future events and operating performance and speak only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from those expressed in, or underlying, these forward-looking statements are detailed in the company's annual and quarterly report filings with the Securities and Exchange Commission. The company undertakes no obligation to publicly release revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unforeseen events, except as required to be reported under the rules and regulations of the Securities and Exchange Commission.

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