



Sonic to Present at Two Investor Conferences in June

Difficult Consumer Environment Continues to Affect Sales

OKLAHOMA CITY, Jun 16, 2010 (BUSINESS WIRE) -- Sonic Corp. (NASDAQ: SONC), the nation's largest chain of drive-in restaurants, today announced that the company will participate in two investor conferences this month.

The first conference is the William Blair & Co. 30th Annual Growth Stock Conference, which is in Chicago through tomorrow, June 17. The investor presentation by Sonic's management is scheduled at 4:20 p.m. EDT today, and will also be available to investors via a live audio webcast. A link to the webcast can be found at the investor section of the company's website, www.sonicdrivein.com, and the presentation will be available for replay through June 21, 2010, using the same link.

The second conference is the Oppenheimer & Co. 10th Annual Consumer, Gaming, Lodging & Leisure Conference, which takes place in Boston June 29-30. Sonic's investor presentation by management is scheduled to begin at 3:20 p.m. EDT on Tuesday, June 29, and will be available to investors via a live audio webcast. A link to the webcast can be found at the investor section of the company's website, www.sonicdrivein.com, and the presentation will be available for replay for 30 days.

The company also updated its outlook for the third quarter ended May 31, 2010. The consumer environment continued to pose a challenge for same-store sales in the quarter, with same-store sales estimates for the system expected to decline between 6.0% and 6.5%. Though negative, same-store sales improved from March to April, but deteriorated in May. Unemployment and underemployment continue to be a headwind for the industry and particularly for Sonic in the near term. Over the long term, management believes the strategic initiatives it outlined in March are right for the Sonic brand and position the company well for improved sales performance over time.

"Our strategy is to drive sales with distinctive and innovative products and an elevated customer service experience," said Clifford Hudson, Chairman and Chief Executive Officer. "Initiatives implemented in 2009 and most recently in 2010, which include distinctive value promotions, new messaging emphasizing the brand experience, a new media allocation strategy and product quality improvements, are designed to improve sales by differentiating our brand from other quick-service restaurants. Our new value promotional strategy shifts the focus from ordinary value-menu food to premium products with a unique value proposition. This strategy continued in the third quarter with promotions that included a free medium order of Tater Tots with the purchase of a premium sandwich. This promotion was successful in holding average check flat for the quarter, an improvement in trend.

"In conjunction with defining value the Sonic way, we developed a targeted media allocation strategy and began the roll-out of improved product quality for key menu items," Hudson continued. "We launched our new real ice cream beginning May 17th and in July, Sonic customers will be introduced to a quarter pound foot long chili-cheese Coney at a special price. We are very pleased with the quality improvements in both instances. Combine real ice cream with a foot-long chili-cheese Coney delivered by a smiling, skating Carhop, and the result will be an experience that is both memorable and unique for our customers."

Concluding, Hudson added, "Despite the unpredictable nature of the consumer environment and its impact on sales, our focus will continue to be on the successful implementation and refinement of this strategy. We believe our high quality, distinctive products in a fun and unique format will lead to improved sales and earnings performance over time."

Hudson noted that during the third quarter, Sonic used a portion of its excess cash to purchase approximately \$58 million of its class A-2 senior fixed-rate notes. "With respect to capital management, we are pleased to report that we are making progress on our objective to deploy our excess cash," Hudson said. "These purchases, combined with the \$50 million in principal payments we will be making in fiscal 2010, will result in a decline of outstanding debt from almost \$700 million to less than \$600 million. Further, with more than \$60 million in remaining cash, we continue to look to use our cash opportunistically."

2010 Guidance

In light of sales performance in the third quarter, Sonic anticipates earnings per share for fiscal year 2010 will be in the range of \$0.50 to \$0.55, based on the following assumptions:

- Same-store sales decline of 4% to 8% for the fourth quarter;

- New franchise drive-in openings of 80 to 85 for the year;
- Unfavorable restaurant-level margins for the fourth quarter of approximately 150 to 250 basis points as a result of de-leveraging and higher than expected beef costs;
- Depreciation and amortization of \$42 to \$43 million for the year;
- A \$6.5 to \$7 million decline in interest expense reflecting lower debt levels for the year;
- An income tax rate between 37.5% to 38.5% for the fourth quarter; and
- Capital expenditures for the year ranging from \$25 to \$30 million.

Third Quarter Release and Conference Call

Sonic plans to report its third quarter results at the market close on June 21, 2010. The company will provide an online web simulcast of its earnings release conference call that afternoon beginning at 5:00 p.m. EDT. An archived replay of the conference call will be available approximately two hours after the conclusion of the live broadcast and will continue through July 21, 2010. 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 approximately three 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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Sonic Corp.
Claudia San Pedro, 405-225-4846
Vice President of Investor Relations and Brand Strategies

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