



## Sonic Announces Preliminary Sales Results for Fiscal 2010 and Outlook for Coming Year

OKLAHOMA CITY, Sep 14, 2010 (BUSINESS WIRE) -- Sonic Corp. (NASDAQ: SONC), the nation's largest chain of drive-in restaurants, today announced preliminary sales results for the fourth quarter and fiscal year ended August 31, 2010. In line with the company's previously announced expectations, Sonic's fourth quarter same-store sales declined an estimated 6.4% for the system and 6.1% for company-owned drive-ins.

Sonic also reported that drive-in openings totaled 25 for the fourth fiscal quarter, including 24 by franchisees. For the fiscal year, there were 80 franchise openings compared with 130 in the prior fiscal year, as the pace of new drive-in openings was slowed by the challenging sales environment and difficult economic conditions. New development is generally correlated with sales and profits and is expected to accelerate as system performance improves.

"In the context of turning our business toward more profitable performance and enhancing stockholder value, our fourth fiscal quarter provided direction to just such a turn," said Clifford Hudson, Chairman and Chief Executive Officer. "The first indicator is the performance of our company-owned drive-ins; their sales and margin performance have the potential for the largest impact on earnings and stockholder value in the near term. In our third fiscal quarter, same-store sales at company-owned drive-ins improved to within three-tenths of a percent of our franchisees' same-store sales performance, and in the fourth quarter company-owned drive-ins outperformed the system for the first time in nearly three years. With our company-owned drive-ins' corresponding improved performance on various customer feedback measures, we believe we are seeing positive signs indicating that aspect of our business is improving.

"The second indicator arises from the fact that, throughout fiscal 2010, we implemented new initiatives, including new messaging, a new media allocation strategy, service differentiation that emphasizes skating carhops, and product quality improvements," Hudson continued. "We expect these strategic initiatives will gain traction and improve system-wide comparable sales performance in fiscal 2011 and beyond."

### Fiscal 2011 Outlook

Sonic's outlook for fiscal 2011 currently anticipates the following key elements:

- The opening of a total of 40 to 50 new franchise drive-ins;
- Sequentially improving same-store sales throughout the fiscal year, building on our initiatives from fiscal 2010; assuming no change in cost structure and based on fiscal 2010 average unit volumes, each percentage point change in same-store sales impacts diluted earnings per share by approximately three cents;
- A slight improvement in restaurant-level margins as a result of labor efficiencies;
- Selling, general and administrative expenses of \$67 to \$68 million;
- Depreciation and amortization of \$42 to \$43 million;
- Interest expense of \$31 to \$32 million;
- An income tax rate between 37% and 38%; and
- Capital expenditures in the range of \$20 to \$25 million.

"While we think it is prudent to take a conservative approach to our sales outlook for fiscal 2011, because of the uniquely challenging environment, we do expect improvement in same-store sales as our sales-building initiatives improve traffic," Hudson added.

### Fourth Quarter Release and Conference Call

Sonic expects to report its fourth quarter and fiscal year end results at the market close on October 19, 2010. 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, 2010. 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 19, 2010. A link to these events will be available at the investor section of the company's website, [www.sonicdrivein.com](http://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](http://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.**

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