

	\$ 3,577	\$ 0.06	\$ 1,677	\$ 0.03	\$ 1,900	113%	\$ 0.03	100%
Reported - GAAP								
After-tax loss from early extinguishment of debt	315	0.01	-	-				
Retroactive tax benefit of WOTC and resolution of tax matters	(857)	(0.02)	-	-				
Adjusted - Non-GAAP	\$ 3,035	\$ 0.05	\$ 1,677	\$ 0.03	\$ 1,358	81%	\$ 0.02	67%

Company drive-in sales in the second quarter of fiscal 2013 decreased by \$3.5 million compared to the second quarter of fiscal 2012 primarily as a result of the refranchising of 34 company drive-ins during the second fiscal quarter of 2012, partially offset by an increase in same-store sales.

For the first six months of fiscal 2013, net income totaled \$9.7 million or \$0.17 per diluted share compared with net income of \$7.2 million or \$0.12 per diluted share for the same period in 2012. Excluding the items outlined below, net income and net income per diluted share increased 29% and 33%, respectively.

	Six Months Ended February 28, 2013		Six Months Ended February 29, 2012		Net Income		Diluted EPS	
	Net Income	Diluted EPS	Net Income	Diluted EPS	\$Change	% Change	\$Change	% Change
Reported - GAAP	\$ 9,710	\$ 0.17	\$ 7,176	\$ 0.12	\$ 2,534	35%	\$ 0.05	42%
After-tax loss from early extinguishment of debt	315	0.01	-	-				
Retroactive tax benefit of WOTC and resolution of tax matters	(743)	(0.02)	-	-				
Adjusted - Non-GAAP	\$ 9,282	\$ 0.16	\$ 7,176	\$ 0.12	\$ 2,106	29%	\$ 0.04	33%

Company drive-in sales for the first six months of fiscal 2013 decreased by \$6.8 million compared to the same period prior year primarily as a result of the refranchising of 34 company drive-ins during the second fiscal quarter of 2012 partially offset by an increase in same-store sales.

Same-Store Sales

For the second quarter ended February 28, 2013, system-wide same-store sales were flat, which was comprised of a 1.9% increase at company drive-ins and essentially flat same-store sales at franchise drive-ins. System-wide same-store sales were negatively impacted due to one less operating day in the second quarter of fiscal 2013 as a result of leap day in last year's results. Excluding the extra day in 2012, system-wide same-store sales increased 1.3% and company drive-in same-store sales increased 3.3%.

Development

Three new franchise drive-ins were opened in the second quarter of fiscal 2013 versus 10 new franchise drive-in openings during the second quarter of fiscal 2012.

Fiscal Year 2013 Outlook

The company expects its initiatives to drive sales improvements going forward. However, uncertainty with regard to the macroeconomic environment and its impact on consumer confidence may result in sales volatility. The outlook for fiscal 2013 anticipates the following elements:

- Positive same-store sales in the low single digit range;
- Drive-in level margins to improve between 50 to 100 basis points;

- Slightly more franchise drive-in openings than fiscal 2012;
- Selling, general and administrative expenses of \$17.5 to \$18 million for each of the third and fourth quarters, respectively;
- Depreciation and amortization of \$10 to \$10.5 million for each of the third and fourth quarters, respectively;
- Net interest expense of approximately \$28 to \$28.5 million excluding the impact of the debt origination cost write-off from the \$20 million early extinguishment of debt;
- An income tax rate of between 37% and 38% for each of the third and fourth fiscal quarters, respectively;
- Capital expenditures of \$30 to \$35 million which includes partial implementation of the point-of-sale system in company drive-ins and the supply chain management system; and
- Free cash flow of \$45 to \$50 million for fiscal 2013.

About Sonic

Sonic, America's Drive-In, originally started as a hamburger and root beer stand in 1953 in Shawnee, Oklahoma 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, Oklahoma. 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.

Earnings Conference Call

The company will host a conference call and online web simulcast this afternoon beginning at 5:00 p.m. ET. The conference call can be accessed live over the phone by dialing (888) 690-2878 or (913) 312-1296 for international callers. A replay will be available one hour after the call and can be accessed by dialing (877) 870-5176 or (858) 384-5517 for international callers; the conference ID is 6986684. The replay will be available until Monday, April 1, 2013. An online replay of the conference call will be available approximately two hours after the conclusion of the live broadcast. A link to this event will be available on the investor section of the company's website, 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.

The tables that follow provide information regarding the number of company drive-ins, franchise drive-ins and system drive-ins in operation as of the end of the periods indicated. In addition, these tables provide information regarding franchise sales, system growth in sales, and both franchise and system average drive-in sales and change in same-store sales. System information includes both company and franchise drive-in information, which we believe is useful in analyzing the growth of our brand. While we do not record franchise drive-in sales as revenues, we believe this information is important in understanding our financial performance since we calculate and record franchise royalties based on a percentage of franchise sales. This information also is indicative of the financial health of our franchisees.

¹ Free cash flow is defined as net income plus depreciation, amortization and stock compensation expense, less capital expenditures.

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SONIC CORP.
Unaudited Supplemental Information
(In thousands, except per share amounts)

	Second Quarter Ended		Six Months Ended	
	February 28,	February 29,	February 28,	February 29,
	2013	2012	2013	2012

Statement of Operations

Revenues:

Company Drive-In sales	\$	83,706	\$	87,185	\$	177,162	\$	183,967
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Franchise Drive-Ins:				
Franchise royalties and fees	25,996	25,954	55,916	55,030
Lease revenue	949	1,261	2,435	2,549
Other	490	684	1,636	1,817
	<u>111,141</u>	<u>115,084</u>	<u>237,149</u>	<u>243,363</u>
Costs and expenses:				
Company Drive-Ins:				
Food and packaging	23,546	24,686	50,178	52,411
Payroll and other employee benefits	31,448	32,740	64,913	67,824
Other operating expenses, exclusive of depreciation and amortization included below	18,811	20,727	40,787	43,638
	<u>73,805</u>	<u>78,153</u>	<u>155,878</u>	<u>163,873</u>
Selling, general and administrative	15,467	16,084	31,597	31,501
Depreciation and amortization	10,069	10,510	20,664	20,976
Provision for impairment of long-lived assets	-	173	-	173
Other operating income, net	(218)	(384)	(211)	(462)
	<u>99,123</u>	<u>104,536</u>	<u>207,928</u>	<u>216,061</u>
Income from operations	<u>12,018</u>	<u>10,548</u>	<u>29,221</u>	<u>27,302</u>
Interest expense	7,448	7,930	15,123	15,971
Interest income	(168)	(139)	(309)	(303)
Loss from early extinguishment of debt	492	-	492	-
Net interest expense	<u>7,772</u>	<u>7,791</u>	<u>15,306</u>	<u>15,668</u>
Income before income taxes	4,246	2,757	13,915	11,634
Provision for income taxes	669	1,080	4,205	4,458
Net income	<u>\$ 3,577</u>	<u>\$ 1,677</u>	<u>\$ 9,710</u>	<u>\$ 7,176</u>
Net income per share:				
Basic	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.17</u>	<u>\$ 0.12</u>
Diluted	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.17</u>	<u>\$ 0.12</u>
Weighted average shares used in calculation:				
Basic	<u>55,798</u>	<u>60,579</u>	<u>56,735</u>	<u>61,136</u>
Diluted	<u>56,423</u>	<u>60,602</u>	<u>57,254</u>	<u>61,170</u>

SONIC CORP.
Unaudited Supplemental Information

	Second Quarter Ended		Six Months Ended	
	February 28,	February 29,	February 28,	February 29,
	2013	2012	2013	2012
Drive-Ins in Operation				
Company:				
Total at beginning of period	409	446	409	446
Opened	-	-	-	-
Sold to franchisees	-	(34)	-	(34)
Closed (net of re-openings)	(4)	-	(4)	-
Total at end of period	<u>405</u>	<u>412</u>	<u>405</u>	<u>412</u>
Franchise:				
Total at beginning of period	3,140	3,109	3,147	3,115
Opened	3	10	4	12
Acquired from company	-	34	-	34
Closed (net of re-openings)	(22)	(15)	(30)	(23)
Total at end of period	<u>3,121</u>	<u>3,138</u>	<u>3,121</u>	<u>3,138</u>
System-wide:				
Total at beginning of period	3,549	3,555	3,556	3,561
Opened	3	10	4	12

Closed (net of re-openings)	<u>(26)</u>	<u>(15)</u>	<u>(34)</u>	<u>(23)</u>
Total at end of period	<u>3,526</u>	<u>3,550</u>	<u>3,526</u>	<u>3,550</u>

Second Quarter Ended		Six Months Ended	
February 28,	February 29,	February 28,	February 29,
2013	2012	2013	2012
(\$ in thousands)		(\$ in thousands)	

Sales Analysis

Company Drive-Ins:

Total sales	\$ 83,706	\$ 87,185	\$ 177,162	\$ 183,967
Average drive-in sales	207	201	437	419
Change in same-store sales	1.9%	3.1%	3.1%	1.4%

Franchised Drive-Ins:

Total sales	\$ 712,934	\$ 712,903	\$ 1,527,736	\$ 1,494,126
Average drive-in sales	232	229	494	480
Change in same-store sales	-0.3%	3.6%	1.3%	1.7%

System-wide:

Change in total sales	-0.5%	3.6%	1.6%	2.0%
Average drive-in sales	\$ 229	\$ 225	\$ 487	\$ 472
Change in same-store sales	0.0%	3.5%	1.5%	1.7%

Note: Change in same-store sales based on restaurants open for a minimum of 15 months.

SONIC CORP. Unaudited Supplemental Information

Revenues (in thousands)	Second Quarter Ended		Six Months Ended	
	February 28,	February 29,	February 28,	February 29,
	2013	2012	2013	2012
Company Drive-In sales	\$ 83,706	\$ 87,185	\$ 177,162	\$ 183,967
Franchise Drive-Ins:				
Franchise royalties	25,821	25,590	55,736	54,381
Franchise fees	175	364	180	649
Lease revenue	949	1,261	2,435	2,549
Other	490	684	1,636	1,817
	<u>\$ 111,141</u>	<u>\$ 115,084</u>	<u>\$ 237,149</u>	<u>\$ 243,363</u>

Margin Analysis (percentage of Company Drive-In sales)	Second Quarter Ended		Six Months Ended	
	February 28,	February 29,	February 28,	February 29,
	2013	2012	2013	2012
Company Drive-Ins:				
Food and packaging	28.1%	28.3%	28.3%	28.5%
Payroll and employee benefits	37.6%	37.5%	36.6%	36.9%
Other operating expenses	22.5%	23.8%	23.1%	23.7%
	<u>88.2%</u>	<u>89.6%</u>	<u>88.0%</u>	<u>89.1%</u>

Balance Sheet Data	February 28,	August 31,
	2013	2012
	(In thousands)	
Cash and cash equivalents	\$ 42,487	\$ 52,647
Current assets	96,108	107,151
Property, equipment and capital leases, net	397,883	443,008
Total assets	<u>624,663</u>	<u>680,760</u>

Current liabilities, including capital lease obligations and long-term debt due within one year	63,482	80,516
Obligations under capital leases due after one year	25,004	27,377
Long-term debt due after one year	439,744	466,613
Total liabilities	575,908	621,513
Stockholders' equity	\$ 48,755	\$ 59,247

Claudia San Pedro
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Source: Sonic Corp.

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