



News Release

SONIC CORP. • 101 Park Avenue • Oklahoma City, Oklahoma 73102 • (405) 280-7654

Contact: W. Scott McLain
Senior Vice President and
Chief Financial Officer
(405) 280-7507

SONIC REPORTS 13% INCREASE IN FIRST QUARTER EARNINGS PER DILUTED SHARE

December Sales Show Increased Momentum

OKLAHOMA CITY (January 6, 2003) – Sonic Corp. (NASDAQ/NM: SONC) today reported record results for the first quarter of its 2003 fiscal year, which ended November 30, 2002. Key aspects of the company's quarterly report included:

- A 13% increase in earnings per diluted share, to \$0.26, meeting the company's previously announced expectations;
- A 13% increase in total revenues, to \$98.6 million, reflecting largely the contribution of drive-ins opened during the past year;
- A 0.2% decline in system-wide same-store sales for the quarter due to poor weather conditions across many of the company's markets during late October and early November; and
- The opening of 46 new Sonic Drive-Ins during the quarter.

Commenting on the report, Clifford Hudson, Chairman and Chief Executive Officer, said, "We are pleased to report a solid increase in both revenues and earnings for the initial quarter of our new fiscal year, despite the impact of adverse weather in the latter part of the quarter and a challenging operating environment, which features ongoing economic uncertainty and increased discounting by some competitors."

Sonic's net income for the first quarter increased 11% to \$10.6 million versus \$9.6 million in the same period last year and rose 13% on a diluted per share basis to \$0.26 from \$0.23 in the year-earlier period. Revenues for the first quarter were up 13% to \$98.6 million compared with \$87.3 million in the first quarter last year.

"Despite another bout of ice and snow in early December, we have seen same-store sales strengthen over the last several weeks and return to our targeted, low-single-digit range, which is especially encouraging given the company's strong sales performance in December 2001," Hudson added. "We think this improvement reflects our ongoing efforts to remain relevant and compelling to consumers, not by selling cheap food, but by stressing superior service and distinctive, quality products. New products, like our Jumbo Popcorn Chicken, which performed extremely well during December and now ranks as one of our most successful product introductions ever, underscore the success we can achieve with this focus."

"While overall first quarter same-store sales results were somewhat disappointing, there were several promising signs for Sonic during the quarter," he continued. "First, we saw solid traffic gains during the quarter and were encouraged by sales trends at drive-ins open greater than 18 months, which exclude the effect of high opening sales volumes at new drive-ins. Same-store sales in this more mature group of drive-ins increased 0.9% during the quarter. Also during the quarter, we witnessed continued growth from our new breakfast menu, which is now available across about half our chain. For drive-ins that are now in the second and third years on the program, sales during the morning day part are averaging more than 10% of total sales.

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With this continued success, we are planning a significant follow-on rollout of our breakfast program later this spring. Lastly, we have continued to benefit from the increasing leverage of our corporate-level expenses and strong positive cash flow."

During the first quarter, Sonic opened 46 new drive-ins, including 36 franchised restaurants, compared with a total of 48 in the year-earlier period. The company remains on track to open a total of 190 to 200 new drive-ins during fiscal 2003.

With respect to its share repurchase program, Sonic purchased approximately \$19.8 million of its common stock during the first quarter. The company had remaining authorization under its current program totaling about \$29.6 million at the end of the quarter.

Concluding, Hudson said, "Clearly, sales have strengthened over the last several weeks. Still, the potential for adverse weather makes the second quarter our least predictable of the year. Also, we are up against strong comparisons from last year, and soft economic conditions continue to create near-term uncertainty. Because of these factors, it is possible that same-store sales growth may fall below our general target range of 1% to 3% in the second quarter. Looking beyond that and longer term, however, we are confident that same-store sales growth will return to our target range in the second half of the year. With that growth, combined with our new drive-in development program, which is on pace to open a possible record number of new restaurants this year, the ongoing expansion of our franchising income, and continued leverage in the bottom part of our income statement, we believe that Sonic is positioned to deliver earnings per share growth in the range of 18% over the balance of fiscal 2003."

This press release contains forward-looking statements within the meaning of the federal securities laws. There are certain important factors that could cause actual results to differ materially from those anticipated by the statements made herein. Among the factors that could cause actual results to differ from predicted or expected results are: inclement weather, strikes, local permitting or other reasons; increased competition; cost increases or shortages in raw food products; and the possibility of unforeseen events affecting the industry generally. 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.

Sonic Corp. franchises and operates the largest chain of drive-in restaurants in the United States. For more information about the company, visit Sonic's website at sonicdrivein.com. A listen-only simulcast of Sonic's first quarter conference call may be accessed at the company's web site. The simulcast will begin at approximately 9:00 a.m. Central Time tomorrow, January 7, 2003. An on-demand replay, using the same link, will be available at approximately noon tomorrow and will continue until February 7, 2003.

SONIC CORP.
Unaudited Financial Highlights
(In thousands, except per share amounts)

	First Quarter Ended	
	November 30,	
	2002	2001
Revenues	\$ 98,585	\$ 87,329
Income from operations	18,517	16,796
Net income	10,641	9,555
Net income per share – diluted	0.26	0.23
Weighted average shares – diluted	40,971	41,920

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SONIC CORP.
Unaudited Supplemental Information

	First Quarter Ended November 30,	
	2002	2001
Operating Statistics		
Restaurants in operation:		
Company-owned:		
Total at beginning of period	452	393
Opened	10	12
Acquired from (sold to) franchisees	(2)	(2)
Closed	0	0
Total at end of period	460	403
Franchised:		
Total at beginning of period	2,081	1,966
Opened	36	36
Acquired from (sold to) company	2	2
Closed (net of reopening)	(3)	(1)
Total at end of period	2,116	2,003
System-wide:		
Total at beginning of period	2,533	2,359
Opened	46	48
Closed (net of reopening)	(3)	(1)
Total at end of period	2,576	2,406
Sales Analysis (\$ in thousands)		
Company-owned restaurants:		
Total sales	\$ 81,574	\$ 71,721
Average restaurant sales	180	180
Same-store sales increase	-0.3%	-0.3%
Franchised restaurants:		
Total sales	\$ 454,913	\$ 426,857
Average restaurant sales	218	216
Same-store sales increase	-0.2%	2.6%
System-wide:		
Total sales	\$ 536,487	\$ 498,578
Average restaurant sales	211	210
Same-store sales increase	-0.2%	2.1%
Same-Store Sales:		
Company-owned restaurants:		
Core markets	1.8%	1.3%
Developing markets	-9.7%	-6.7%
All markets	-0.3%	-0.3%
Franchised restaurants	-0.2%	2.6%
System-wide	-0.2%	2.1%

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

	First Quarter Ended November 30,	
	2002	2001
Income Statement Data		
Revenues:		
Company-owned restaurant sales	\$ 81,574	\$ 71,721
Franchised restaurants:		
Franchise royalties	14,960	13,774
Franchise fees	1,027	1,049
Other	1,024	785
	98,585	87,329
Costs and expenses:		
Company-owned restaurants:		
Food and packaging	21,179	19,090
Payroll and other employee benefits	24,817	20,733
Other operating expenses	16,302	14,199
	62,298	54,022
Selling, general and administrative	8,222	7,658
Depreciation and amortization	6,973	6,255
Minority interest in earnings of restaurants	2,575	2,598
	80,068	70,533
Income from operations	18,517	16,796
Interest expense	1,847	1,827
Interest income	(288)	(258)
Net interest expense	1,559	1,569
Income before income taxes	16,958	15,227
Provision for income taxes	6,317	5,672
Net income	\$ 10,641	\$ 9,555
Net income per share:		
Basic	\$ 0.27	\$ 0.24
Diluted	\$ 0.26	\$ 0.23
Weighted average shares used in calculation:		
Basic	39,216	39,990
Diluted	40,971	41,920

SONIC CORP.
Unaudited Supplemental Information

	First Quarter Ended	
	November 30,	
	2002	2001
Margin Analysis		
Company-owned restaurants:		
Food and packaging	26.0%	26.6%
Payroll and employee benefits	30.4	28.9
Other operating expenses	20.0	19.8
	76.4%	75.3%

	November 30,	August 31,
	2002	2002
	<i>(In thousands)</i>	
Balance Sheet Data		
Total assets	\$ 401,408	\$ 405,356
Current assets	23,200	29,973
Current liabilities	36,027	42,915
Obligations under capital leases, long-term debt, and other non-current liabilities	143,544	131,771
Stockholders' equity	221,837	230,670