



News Release

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SONIC REPORTS SECOND QUARTER 18% EPS GAIN

Same-Store Sales Start Strong in March

OKLAHOMA CITY (March 24, 2003) – Sonic Corp. (NASDAQ/NM: SONC) today announced record results for the second fiscal quarter and six-month period ended February 28, 2003. Key aspects of the company's second quarter operations included:

- An 18% increase in second quarter earnings, to \$0.20 per diluted share, in line with previously announced expectations;
- An 11% increase in total revenues, to \$90.4 million, reflecting largely an increase in new drive-ins and higher franchising income;
- 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 February; and
- The opening of 29 new Sonic Drive-Ins during the second quarter, bringing year-to-date openings to 75 drive-ins.

Commenting on the report, Clifford Hudson, Chairman and Chief Executive Officer, said, "We believe Sonic's 18% earnings growth in the second quarter, coupled with an 11% increase in revenues for the period, are noteworthy accomplishments in light of ongoing economic and political uncertainties and the harsh winter weather we continued to confront across many of our markets, particularly throughout much of the month of February. It is also a testament to our multi-layered growth strategy, which produced solid earnings growth through higher franchising income, continued leverage of corporate level expenses, and the use of significant free cash flow to support increased stock repurchases over the last few quarters. Knowing the strength of our brand, and with the sales-driving initiatives we have in place for the seasonally strong second half of our fiscal year, we think Sonic remains well positioned to continue delivering solid financial results during the coming spring and summer months, and we remain very enthusiastic about the prospects for growing the Sonic brand."

Sonic's net income for the second quarter increased 12% to \$8.0 million versus \$7.1 million last year, while net income per diluted share rose 18% to \$0.20 from \$0.17 in the year-earlier period. Total revenues for the quarter increased 11% to \$90.4 million from \$81.6 million in the year-earlier period.

Net income for the first half of fiscal 2003 rose 12% to \$18.6 million from \$16.7 million in the same period last year. On a diluted per share basis, net income increased 15% to \$0.46 compared with \$0.40 last year. Total revenues for the first six months of fiscal 2003 increased 12% to \$188.9 million from \$168.9 million in the same period last year.

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Hudson noted that same-store sales increased within the company's target range of 1% to 3% during December and January, reflecting the success of new products like Sonic's Jumbo Popcorn Chicken. As mentioned earlier, this progress was offset by harsh weather conditions that followed in February. Traffic growth for the quarter, however, was solid. Estimated same-store sales thus far in March have rebounded considerably and are ahead of the company's target range, driven by the introduction of breakfast to new markets, as well as increased media spending and Sonic's Big Cheese™ burger and the new Orange Cool Breeze™ drink promotions.

Last month, Sonic announced it will expand its breakfast program across its entire system. Sonic expects to complete this expansion, to approximately 1,300 stores in 68 markets, by the end of March. "We consider breakfast as an essential part of our long-term strategy to increase our penetration in under-served day parts and increase our average unit volumes," Hudson said. "At the 400 drive-ins on this program for the second or third year, sales during the morning day part are averaging more than 10% of total sales. Clearly, we want to extend that success across the rest of our chain and build on the operator enthusiasm and the strong customer response we have received to the unique new breakfast products and full-menu availability all day long. Also, the rollout of breakfast to the rest of our chain will allow us to use our system-wide marketing resources more effectively to promote this new day part."

During the second quarter, Sonic opened 29 new drive-ins, matching the total opened in the year-earlier quarter. Franchisees opened 28 new drive-ins in the quarter versus 22 in the same period last year. For the first half of 2003, the company opened 75 new drive-ins, including 64 franchised restaurants, compared with 77 drive-ins opened during the same period last year. The company remains on track to open approximately 190 new drive-ins in fiscal 2003, including about 150 to 160 by franchisees.

Also, Sonic continued to generate positive free cash flow during the second quarter, which it continues to use in support of the company's stock repurchase program. Through the first half of fiscal 2003, Sonic has expended \$25.6 million, including \$5.9 million in the second quarter, toward stock repurchases. The company had remaining authorization under the current program of \$23.7 million at the end of the second quarter.

In closing, Hudson added: "While it is difficult to anticipate the possible impact of ongoing economic and geopolitical uncertainties, most recently manifest in the form of higher fuel prices, on sales and other parts of our business, we remain optimistic about Sonic's ability to deliver strong EPS growth – in the range of 18% – over the latter part of this fiscal year. We base this confidence on the sales-driving strategies we have in place which are designed to generate low single-digit same-store sales growth, including increased media, new products, the expansion of breakfast to the other half of our chain, and special product and promotional activities in the late spring and early summer months surrounding our 50th birthday celebration. We also believe that we will continue to benefit from higher franchise income and franchise store openings, as well as ongoing leverage of corporate-level expenses."

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 second quarter conference call can be accessed at the company's web site. The simulcast will begin at approximately 8:30 a.m. Central Time tomorrow, March 25, 2003. An on-demand replay, using the same link, will be available at approximately noon tomorrow and will continue until April 25, 2003.

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

	Second Quarter Ended February 28,		Six Months Ended February 28,	
	2003	2002	2003	2002
Revenues	\$ 90,352	\$ 81,576	\$ 188,937	\$ 168,905
Income from operations	14,312	12,836	32,829	29,632
Net income	7,977	7,103	18,618	16,658
Net income per share - diluted	0.20	0.17	0.46	0.40
Weighted average shares - diluted	40,296	42,126	40,634	42,023

SONIC CORP.
Unaudited Supplemental Information

	Second Quarter Ended February 28,		Six Months Ended February 28,	
	2003	2002	2003	2002
Operating Statistics				
Restaurants in operation:				
Company-owned:				
Total at beginning of period	460	403	452	393
Opened	1	7	11	19
Acquired from (sold to) franchisees	(11)	--	(13)	(2)
Closed	--	(1)	--	(1)
Total at end of period	<u>450</u>	<u>409</u>	<u>450</u>	<u>409</u>
Franchised:				
Total at beginning of period	2,116	2,003	2,081	1,966
Opened	28	22	64	58
Acquired from (sold to) company	11	--	13	2
Closed (net of reopening)	(5)	(2)	(8)	(3)
Total at end of period	<u>2,150</u>	<u>2,023</u>	<u>2,150</u>	<u>2,023</u>
System-wide:				
Total at beginning of period	2,576	2,406	2,533	2,359
Opened	29	29	75	77
Closed (net of reopening)	(5)	(3)	(8)	(4)
Total at end of period	<u>2,600</u>	<u>2,432</u>	<u>2,600</u>	<u>2,432</u>
Sales Analysis (\$ in thousands)				
Company-owned restaurants:				
Total sales	\$ 74,828	\$ 67,355	\$ 156,402	\$ 139,076
Average restaurant sales	165	167	346	347
Change in same-store sales	-0.1%	6.0%	0.0%	2.7%
Franchised restaurants:				
Total sales	\$ 430,821	\$ 403,896	\$ 885,387	\$ 831,476
Average restaurant sales	203	203	420	420
Change in same-store sales	-0.2%	7.5%	-0.3%	4.9%
System-wide:				
Total sales	\$ 505,649	\$ 471,251	\$ 1,041,789	\$ 970,552
Average restaurant sales	196	196	406	405
Change in same-store sales	-0.2%	7.3%	-0.3%	4.6%
Core and Developing Markets (\$ in thousands)				
System-wide average restaurant sales:				
Core markets	\$ 206	\$ 203	\$ 426	\$ 420
Developing markets	164	170	350	360
System-wide change in same-store sales:				
Core markets	1.7%	8.5%	1.4%	5.8%
Developing markets	-6.9%	1.4%	-6.3%	-0.9%

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

	Second Quarter Ended February 28,		Six Months Ended February 28,	
	2003	2002	2003	2002
Income Statement Data				
Revenues:				
Company-owned restaurant sales	\$ 74,828	\$ 67,355	\$ 156,402	\$ 139,076
Franchised restaurants:				
Franchise royalties	13,733	12,629	28,693	26,403
Franchise fees	918	679	1,945	1,728
Other	873	913	1,897	1,698
	<u>90,352</u>	<u>81,576</u>	<u>188,937</u>	<u>168,905</u>
Costs and expenses:				
Company-owned restaurants:				
Food and packaging	19,970	18,086	41,149	37,176
Payroll and other employee benefits	22,905	20,003	47,722	40,736
Other operating expenses	15,636	13,746	31,938	27,945
	<u>58,511</u>	<u>51,835</u>	<u>120,809</u>	<u>105,857</u>
Selling, general and administrative	8,418	7,786	16,640	15,444
Depreciation and amortization	6,994	6,439	13,967	12,694
Minority interest in earnings of restaurants	2,117	2,113	4,692	4,711
Provision for impairment of long-lived assets	--	567	--	567
	<u>76,040</u>	<u>68,740</u>	<u>156,108</u>	<u>139,273</u>
Income from operations	14,312	12,836	32,829	29,632
Interest expense	1,857	1,764	3,704	3,591
Interest income	(257)	(247)	(545)	(505)
Net interest expense	<u>1,600</u>	<u>1,517</u>	<u>3,159</u>	<u>3,086</u>
Income before income taxes	12,712	11,319	29,670	26,546
Provision for income taxes	4,735	4,216	11,052	9,888
Net income	<u>\$ 7,977</u>	<u>\$ 7,103</u>	<u>\$ 18,618</u>	<u>\$ 16,658</u>
Net income per share:				
Basic	<u>\$ 0.21</u>	<u>\$ 0.18</u>	<u>\$ 0.48</u>	<u>\$ 0.42</u>
Diluted	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.46</u>	<u>\$ 0.40</u>
Weighted average shares used in calculation:				
Basic	<u>38,689</u>	<u>40,022</u>	<u>38,952</u>	<u>40,006</u>
Diluted	<u>40,296</u>	<u>42,126</u>	<u>40,634</u>	<u>42,023</u>

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Unaudited Supplemental Information

	Second Quarter Ended February 28,		Six Months Ended February 28,	
	2003	2002	2003	2002
	Margin Analysis			
Company-owned restaurants:				
Food and packaging	26.7%	26.9%	26.3%	26.7%
Payroll and employee benefits	30.6%	29.7%	30.5%	29.3%
Other operating expenses	20.9%	20.4%	20.4%	20.1%
	78.2%	77.0%	77.2%	76.1%

	February 28, 2003	August 31, 2002
	<i>(In thousands)</i>	
Balance Sheet Data		
Total assets	\$ 409,368	\$ 405,356
Current assets	24,696	29,973
Current liabilities	24,221	42,915
Obligations under capital leases, long-term debt, and other non-current liabilities	160,064	131,771
Stockholders' Equity	225,083	230,670