



# News Release

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## **SONIC BOARD DISPELS UNION ALLEGATION; DECLARES FULL SUPPORT OF CEO**

OKLAHOMA CITY (March 11, 2004) – The independent members of the Sonic Corp. (Nasdaq/NM: SONC) Board of Directors announced today that they had completed their review of the AFL-CIO's charges of a conflict of interest involving the company's chairman and chief executive officer.

The claims by a representative of the AFL-CIO surround Cliff Hudson's involvement as elected chairman of the Oklahoma City Board of Education and his role as chairman and CEO of Sonic Corp. Hudson serves the Oklahoma City Public Schools district as a community volunteer. The alleged conflict of interest is based on the fact that Sodexho, a large multi-national services company, had submitted a bid to provide services to the Oklahoma City Public Schools district while at the same time proposing to do business with Sonic.

The district is currently in the process of reviewing bids to privatize some or all of its support services. The AFL-CIO represents the school district employees whose employment could be affected by the proposed privatization of the district's support services.

In responding to the union's claims, the independent Board members conducted an internal review that concluded that there was neither a conflict of interest, nor an economic loss to Sonic.

The Board determined that no such conflict of interest exists now or existed earlier. As well, they confirmed that Mr. Hudson has had no contact with any representatives of Sodexho, was unaware of their intent to place such a bid with the Oklahoma City Public Schools district, and neither Sonic nor Mr. Hudson would benefit in any way if Sodexho were successful in its efforts to do business with the school district.

In March 2002 Sonic and Sodexho signed a letter of intent that provided Sodexho with the right to submit potential sites for the inclusion of a Sonic restaurant in Sodexho's food court operations, subject to the approval of any such site in the sole discretion of Sonic. After 19 months no sites were approved and, therefore, no business relationship ever developed between Sonic and Sodexho other than the initial letter of intent.

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Sonic sent a letter to Sodexho terminating the letter of intent to avoid the appearance of a conflict of interest. The termination of this relationship was communicated to the Oklahoma City Public Schools district by Sodexho.

Sonic was negotiating with Sodexho Operations LLC, a separate division, to provide cafeteria services in its new Sonic headquarters building in Oklahoma City. Sonic also terminated those negotiations to avoid the appearance of a conflict of interest. Sonic subsequently contracted with a local food-service company and the costs after three months of operations are below what management was projecting under the proposed Sodexho contract.

The Board's investigation confirmed that an earlier statement was accurate. Sonic has exchanged no money with Sodexho, is not its franchisor or landlord, nor does it have any other business relationship with Sodexho.

H.E. "Gene" Rainbolt, speaking for Sonic's independent directors, concluded in the Board's response to the union, "We want to let you know that we unanimously support and commend Cliff on his efforts in serving the Oklahoma City Schools for the benefit of the children of Oklahoma City. Cliff discussed his desire to serve in this capacity prior to his doing so and we unanimously supported his decision and continue to do so."

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](http://sonicdrivein.com).

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