



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 RECORD SECOND QUARTER RESULTS, HIGHLIGHTED BY 31% INCREASE IN DILUTED EARNINGS PER SHARE

Company Agrees to Acquire 23 Franchised Drive-Ins

OKLAHOMA CITY (March 25, 2002) – Sonic Corp. (Nasdaq/NM: SONC) today announced record results for the second quarter and six-month period ended February 28, 2002. Highlights of the company's report included:

- A 31% increase in second quarter earnings to \$0.17 per diluted share;
- A 7.3% increase in system-wide same-store sales during the quarter – the largest quarterly increase in Sonic's same-store sales since summer 1999, reflecting growth in both developing and core markets; and
- The opening of 29 new drive-ins during the second quarter, bringing year-to-date openings to 77.

"It is very gratifying to report on the progress occurring in Sonic's business, as measured by the significant acceleration we saw in sales, average unit volume and earnings during the second quarter," said Clifford Hudson, Chairman and Chief Executive Officer. "These results underscore the ongoing success we have achieved with our multi-layered growth strategy, which is based in part on a commitment to higher media expenditures, a steady stream of new product news and solid promotions, and our focus on new day part initiatives, including the recent roll-out of our breakfast program. These strategies continue to drive above-target same-store sales and higher franchising income and, coupled with a strong drive-in development program, are producing very healthy top-and bottom-line gains for Sonic."

Sonic's net income for the second quarter increased 29% to \$7.1 million versus \$5.5 million last year, while net income per diluted share rose 31% to \$0.17 from \$0.13 in the year-earlier period. Total revenues for the quarter increased 29% to \$81.6 million from \$63.2 million in the year-earlier period.

-MORE-

Net income for the first half of fiscal 2002 rose 19% to \$16.7 million from \$14.0 million in the same period last year. On a diluted per share basis, net income increased 18% to \$0.40 compared with \$0.34 last year. Total revenues for the first six months of fiscal 2002 increased 26% to \$168.9 million from \$134.2 million in the same period last year.

All share and per share amounts have been adjusted to reflect a three-for-two stock split distributed in February 2002.

Commenting on Sonic's new breakfast day part initiative, Hudson noted that the program will be operational in more than 1,000 drive-ins, or about 40% of the Sonic system, by the end of April. That represents an expansion of more than 600 drive-ins since mid-February. "Our new breakfast menu is producing higher sales and profits for the drive-ins participating in the program, and we continue to receive very positive customer feedback about the menu and the fact that breakfast – like all their other favorites – is available all day at Sonic. Moreover, the drive-ins that participated in the test of this program last year have seen continued sales growth in their second year. As a result, we believe this initiative has great potential for Sonic, not only in terms of sales growth, but also in the way it continues to help define Sonic as one of the most highly differentiated concepts in the quick-service restaurant segment."

During the second quarter, Sonic opened 29 new drive-ins, including 22 franchised restaurants, compared with a total of 31 in the year-earlier period. For the first half of 2002, the company opened 77 new drive-ins, including 58 franchised restaurants, equaling the 77 drive-ins opened during the same period last year. The company continues to target approximately 190 total new drive-in openings in fiscal 2002.

Separately, Sonic announced that its operating division, Sonic Restaurants, Inc., has entered into an agreement to acquire 23 franchised drive-ins, all of which are located in the company's core markets. These drive-ins are expected to become part of company operations by April 1, 2002. Terms of the agreement were not disclosed. During the last fiscal year, which ended August 31, 2001, Sonic acquired 50 franchise stores, substantially all of which were in core markets.

In closing, Hudson added: "As we pass this mid-year point, we are very pleased with the way Sonic has continued to grow and improve and we are excited about the prospects for the remainder of the fiscal year. In view of our progress so far this year and with our new breakfast program hitting high gear, we believe Sonic remains well positioned to achieve its goal of 2% to 4% same-store sales growth for the fiscal year, even though estimated sales during the early part of March were slightly below our targeted range due to less favorable weather in many of our markets. Considering this, together with our expectations for new drive-in development, higher franchising income, and continued leverage of corporate-level expenses, we remain comfortable that earnings will grow between 18% and 20% this fiscal year."

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 9:00 a.m. Central Time tomorrow, March 26, 2002. An on-demand replay, using the same link, will be available at approximately noon tomorrow and will continue until April 26, 2002.

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

	Second Quarter Ended		Six Months Ended	
	February 28,		February 28,	
	2002	2001	2002	2001
Revenues	\$ 81,576	\$ 63,189	\$ 168,905	\$ 134,213
Income from operations	12,836	10,119	29,632	24,888
Net income	7,103	5,520	16,658	14,023
Net income per share - diluted	0.17	0.13	0.40	0.34
Weighted average shares - diluted	42,126	41,566	42,023	41,482

SONIC CORP.
Unaudited Supplemental Information
(Dollars in thousands)

	Second Quarter Ended February 28,		Six Months Ended February 28,	
	2002	2001	2002	2001
Operating Statistics				
Restaurants in operation:				
Company-owned:				
Total at beginning of period	403	319	393	312
Opened	7	6	19	12
Acquired from (sold to) franchisees	--	11	-2	12
Closed	-1	--	-1	--
Total at end of period	<u>409</u>	<u>336</u>	<u>409</u>	<u>336</u>
Franchised:				
Total at beginning of period	2,003	1,900	1,966	1,863
Opened	22	25	58	65
Acquired from (sold to) company	--	-11	2	-12
Closed (net of reopening)	-2	--	-3	-2
Total at end of period	<u>2,023</u>	<u>1,914</u>	<u>2,023</u>	<u>1,914</u>
System-wide:				
Total at beginning of period	2,406	2,219	2,359	2,175
Opened	29	31	77	77
Closed (net of reopening)	-3	--	-4	-2
Total at end of period	<u>2,432</u>	<u>2,250</u>	<u>2,432</u>	<u>2,250</u>
Sales Analysis (\$ in thousands)				
Company-owned restaurants:				
Total sales	\$ 67,355	\$ 50,618	\$ 139,076	\$ 106,180
Average restaurant sales	167	155	347	332
Same-store sales increase	6.0%	-1.8%	2.7%	-2.0%
Franchised restaurants:				
Total sales	\$ 403,896	\$ 353,800	\$ 831,476	\$ 745,293
Average restaurant sales	203	187	420	396
Same-store sales increase	7.5%	-2.6%	4.9%	-1.5%
System-wide:				
Total sales	\$ 471,251	\$ 404,418	\$ 970,552	\$ 851,473
Average restaurant sales	196	182	405	385
Same-store sales increase	7.3%	-2.5%	4.6%	-1.7%
Same-Store Sales:				
Company-owned restaurants:				
Core markets	6.3%	-1.5%	3.7%	-1.6%
Developing markets	4.2%	-3.4%	-1.9%	-3.7%
All markets	6.0%	-1.8%	2.7%	-2.0%
Franchised restaurants	7.5%	-2.6%	4.9%	-1.5%
System-wide	7.3%	-2.5%	4.6%	-1.7%

-MORE-

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

	Second Quarter Ended February 28,		Six Months Ended February 28,	
	2002	2001	2002	2001
Income Statement Data				
Revenues:				
Company-owned restaurant sales	\$ 67,355	\$ 50,618	\$ 139,076	\$ 106,180
Franchised restaurants:				
Franchise royalties	12,629	10,598	26,403	24,058
Franchise fees	679	703	1,728	1,787
Other	913	1,270	1,698	2,188
	<u>81,576</u>	<u>63,189</u>	<u>168,905</u>	<u>134,213</u>
Costs and expenses:				
Company-owned restaurants:				
Food and packaging	18,086	13,355	37,176	28,249
Payroll and other employee benefits	20,003	14,754	40,736	30,904
Other operating expenses	13,746	10,471	27,945	21,605
	<u>51,835</u>	<u>38,580</u>	<u>105,857</u>	<u>80,758</u>
Selling, general and administrative	7,786	7,092	15,444	13,905
Depreciation and amortization	6,439	5,617	12,694	10,986
Minority interest in earnings of restaurants	2,113	1,781	4,711	3,676
Provision for impairment of long-lived assets	567	--	567	--
	<u>68,740</u>	<u>53,070</u>	<u>139,273</u>	<u>109,325</u>
Income from operations	12,836	10,119	29,632	24,888
Interest expense	1,764	1,587	3,591	3,058
Interest income	(247)	(266)	(505)	(518)
Net interest expense	<u>1,517</u>	<u>1,321</u>	<u>3,086</u>	<u>2,540</u>
Income before income taxes	11,319	8,798	26,546	22,348
Provision for income taxes	4,216	3,278	9,888	8,325
Net income	<u>\$ 7,103</u>	<u>\$ 5,520</u>	<u>\$ 16,658</u>	<u>\$ 14,023</u>
Net income per share:				
Basic	<u>\$ 0.18</u>	<u>\$ 0.14</u>	<u>\$ 0.42</u>	<u>\$ 0.35</u>
Diluted	<u>\$ 0.17</u>	<u>\$ 0.13</u>	<u>\$ 0.40</u>	<u>\$ 0.34</u>
Weighted average shares used in calculation:				
Basic	<u>40,022</u>	<u>39,706</u>	<u>40,006</u>	<u>39,641</u>
Diluted	<u>42,126</u>	<u>41,566</u>	<u>42,023</u>	<u>41,482</u>

-MORE-

SONIC CORP.
Unaudited Supplemental Information
(Dollars in thousands)

Margin Analysis	Second Quarter Ended		Six Months Ended	
	February 28,		February 28,	
	2002	2001	2002	2001
Company-owned restaurants:				
Food and packaging	26.9%	26.4%	26.7%	26.6%
Payroll and employee benefits	29.7%	29.1%	29.3%	29.1%
Other operating expenses	20.4%	20.7%	20.1%	20.4%
	77.0%	76.2%	76.1%	76.1%

Balance Sheet Data
(In thousands)

	February 28,	
	2002	2001
Total assets	\$ 363,602	\$ 304,931
Current assets	20,323	19,175
Current liabilities	26,091	22,055
Obligations under capital leases, long-term debt, and other non-current liabilities	124,438	112,050
Stockholders' Equity	213,073	170,826