

Back Yard Burgers Announces Second Quarter and Year-to-Date 2005 Results

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Back Yard Burgers, Inc. (Nasdaq SmallCap: BYBI) announced results for the second quarter of 2005.

-- Total revenues for the 13-week period ended July 2, 2005, were \$10,737,000 compared with total revenues of \$10,659,000 for the 13-week period ended July 3, 2004. Royalty and advertising fees rose by approximately 30% over the year-earlier period due to a net increase of 21 franchised restaurants since July 3, 2004. Franchise and area development fees increased to \$146,000 from \$121,000 in the year-earlier period due to the opening of seven franchised restaurants during the 13-week period ended July 2, 2005, compared with six franchised restaurant openings in the year-earlier period. These increases were partially offset by a 1.7% decrease in same-store sales for Company-operated restaurants from the comparable period in 2004.

-- Net income for the 13-week period ended July 2, 2005, decreased 14.8% to \$404,000, or \$0.08 per diluted share, from \$474,000, or \$0.09 per diluted share, in the year-earlier period. The decrease was primarily due to the decline in same-store sales at Company-operated restaurants coupled with a 14% increase in the cost of beef during the 13-week period ended July 2, 2005, as well as increased spending for general and administrative expenses, including corporate personnel, professional and consulting fees and travel relating to franchised restaurant support.

-- For the second quarter of 2005, same-store sales for Company-operated restaurants decreased 1.7% from the comparable period in 2004, and same-store sales for franchised restaurants declined 1.0% for the same period. Same-store sales for the second quarter of 2005 for both Company-operated and franchised restaurants were positively affected by approximately 0.4% due to the fact that Easter Sunday occurred during the first quarter of 2005 and during the second quarter of 2004. Year-to-date same-store sales for 2005 decreased 2.2% for Company-operated restaurants and decreased 0.7% for franchised restaurants versus the comparable period in 2004.

-- Total revenues for the 26-week period ended July 2, 2005, totaled \$20,414,000 compared with \$20,142,000 in the prior-year period. Net income for the 26-week period ended July 2, 2005, was \$241,000, or \$0.05 per diluted share, compared with \$741,000, or \$0.14 per diluted share, in the prior-year period. Net income for the 26-week period ended July 2, 2005, included a non-cash charge of approximately \$358,000 (net of a tax benefit of \$153,000) relating to the extension of the exercise date of certain stock options upon the resignation of an officer/director on January 7, 2005.

-- Unit activity for the quarter included the opening of seven franchised stores and the closing of one Company-operated store. As of July 2, 2005, the Company's restaurant system comprised 160 units, including 41 Company-operated stores and 119 franchised stores. Expansion plans for the remainder of 2005 include the opening of three Company-operated stores and 20 franchised stores.

Back Yard Burgers operates and franchises quick-service restaurants in 19 states, primarily in markets throughout the Southeast region of the United States. The restaurants specialize in charbroiled, freshly prepared, great-tasting food. As its name implies, Back Yard Burgers strives to offer the same high-quality ingredients and special care typified by outdoor grilling in the backyard. Its menu features made-to-order gourmet Black Angus hamburgers and chicken sandwiches - charbroiled over an open flame, fresh salads, chili and other specialty items, including hand-dipped milkshakes, fresh-made lemonade and fresh-baked cobblers.

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