

Rubio's(R) Restaurants, Inc. Reports Third Quarter Earnings
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Net income was \$828,000 as compared to net income of \$1,296,000 in the third quarter of 2004.

Rubio's(R) Restaurants, Inc. (Nasdaq: RUBO) today announced financial results for the third quarter and year-to-date ended September 25, 2005.

Third Quarter Results

- * Net income was \$828,000 as compared to net income of \$1,296,000 in the third quarter of 2004.
- * Earnings per share were \$0.09 per diluted share as compared to \$0.14 per diluted share in the third quarter of 2004.
- * Comparable store sales increased 0.3% (versus comparable store sales increase of 4.1% for the same quarter last year).
- * Revenues rose 0.9% to \$36.5 million from \$36.2 million for the third quarter of 2004.
- * Average unit volumes for the trailing four quarters were \$943,000.
- * Restaurant operating cash flow margins were 17.1% as compared to 18.6% in the same quarter last year.
- * EBITDA was \$3.1 million as compared to \$4.0 million in the third quarter of 2004.

The shortfall in earnings, as compared to the prior year, is attributed to certain increases in unit level expenses and occupancy costs, primarily due to higher utilities, CAM charges and property taxes which accounted for approximately \$400,000 of the increase. General and administrative expenses increased primarily due to \$400,000 in incremental legal fees related to lawsuits.

"While comp store sales were slightly positive, we were not pleased with our third quarter top-line revenue. This, combined with higher energy costs, and certain one-time costs, including legal fees, impacted our earnings," said Sheri Miksa, Rubio's president and CEO. "Our focus is on continuing to improve our marketing effectiveness, and we are pleased to have a seasoned, industry veteran on-board as our new VP of Marketing to lead this effort."

Year-to-Date Results

- * Net income was \$2,227,000 as compared to net income of \$2,768,000 in the comparable period in 2004.
- * Earnings per share were \$0.23 per diluted share as compared to \$0.30 per diluted share for the same time period last year.
- * Comparable store sales increased 0.2%.
- * Revenues rose 1.5% to \$106.3 million from \$104.7 million for the comparable period in 2004.
- * General and administrative expenses include approximately \$1.2 million of incremental professional fees as compared to the prior year, related to costs associated with the restatement of the Company's past financial statements due to changes in lease accounting, SOX 404 compliance documentation, and legal fees related to two lawsuits.
- * Restaurant operating cash flow margins were 17.1% as compared to 17.7% in the comparable period in 2004.
- * EBITDA was \$8.8 million as compared to \$10.0 million for the same time period last year.

Development Update

The Company opened one new restaurant in Northern California in the first quarter and opened a replacement restaurant in San Diego in the third quarter. One additional store was opened in San Diego in the beginning of the fourth quarter and the Company intends to open three more locations during the fourth quarter of 2005. As previously disclosed, the Company is targeting new unit growth for 2006 through 2008 of 10% to 15% new units per year. Also, by the end of the third quarter, the Company had completed an additional 8 restaurant re-images, bringing the total to 11 restaurant re-images. The Company plans to re-image another 14 restaurants in the fourth quarter.

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