

Ark Restaurants Announces Financial Results for the Third Quarter and Nine Months Ended July 1,
2006
2006-08-14

For the three months ended July 1, 2006, the Company's income from continuing operations was \$2,656,000, or \$0.77 per share (\$0.75 per diluted share), compared to \$3,013,000, or \$0.88 per share (\$0.84 per diluted share), for the same period last year.

Income from continuing operations for the three months ended July 1, 2006 was negatively impacted by the Company being required to recognize \$187,000 of non-cash compensation expense with regard to the Company's share-based compensation plan and unusually hot weather and rainstorms in the Northeast during significant portions of the third quarter rendering outdoor seating at the Company's New York City and Washington, D.C. facilities (historically, a substantial contributor to the Company's operations during the quarter) inefficient.

Total revenues from continuing operations for the three month period ended July 1, 2006 were \$32.6 million versus \$32.2 million in the same period last year. Revenues from the Company's Las Vegas operations represented 47.4% of the Company's total revenues from continuing operations during the three-month period ended July 1, 2006. The increase in revenues as compared to the same period last year was primarily due to the opening of the Company's Gallagher's Steakhouse and Luna Lounge in Atlantic City, New Jersey and the reclassification of certain of the Company's facilities to discontinued operations. Compared to the same three month period last year, same store sales in the Company's New York City operations increased by 2.3%, same store sales in the Company's Las Vegas operations decreased by 0.4% and same store sales in the Company's Washington D.C. operations decreased by 10.4%. Compared to the same three month period last year, Company-wide same store sales decreased by 1.4%. Although the Company does not report the sales or the financial results of the Company's managed Florida casino operations (the Company derives income from a management fee arrangement in part based on sales), same store sales at the Company's Florida operations increased by 17% compared to the same three month period last year. Sales at the Company's Florida operations totaled \$2,648,000 during the three month period ended July 1, 2006.

For the nine months ended July 1, 2006, the Company's income from continuing operations was \$3,860,000, or \$1.11 per share (\$1.09 per diluted share), compared to \$4,565,000, or \$1.34 per share (\$1.28 per diluted share), for the same period last year. Income from continuing operations for the nine months ended July 1, 2006 was, likewise, negatively impacted by the Company being required to recognize \$561,000 of non-cash compensation expense with regard to the Company's share-based compensation plan.

Total revenues from continuing operations for the nine month period ended July 1, 2006 were \$85.3 million versus \$82.7 million in the same period last year. Revenues from the Company's Las Vegas operations represented 54.4% of the Company's total revenues from continuing operations during the nine month period ended July 1, 2006. The increase in revenues as compared to the same period last year was, likewise, primarily due to the opening of the Company's Gallagher's Steakhouse and Luna Lounge in Atlantic City, New Jersey and the reclassification of certain of the Company's facilities to discontinued operations. Compared to the same nine month period last year, same store sales in the Company's New York City operations increased by 8.2%, same store sales in the Company's Las Vegas operations decreased by 3.5% and same store sales in the Company's Washington D.C. operations decreased by 4.2%. Compared to the same nine month period last year, Company-wide same store sales decreased by 0.4%. Same store sales at the Company's managed Florida casino operations increased by 19.7% compared to the same nine month period last year. Sales at the Company's Florida operations totaled \$7,823,000 during the nine month period ended July 1, 2006.

EBITDA from continuing operations for the three month period ended July 1, 2006 was \$4,836,000 versus \$5,262,000 during the same three month period last year. EBITDA from continuing operations for the three month period ended July 1, 2006 was, likewise, negatively impacted by the Company being required to recognize a \$187,000 non-cash compensation expense with regard to the Company's share-based compensation plan.

EBITDA from continuing operations for the nine month period ended July 1, 2006 was \$8,200,000 versus \$8,864,000 during the same nine-month period last year. EBITDA from continuing operations for the nine month period ended July 1, 2006 was, likewise, negatively impacted by the Company being required to recognize a \$561,000 non-cash compensation expense with regard to the Company's share-based compensation plan.

The Company had net income of \$2,488,000 in the three month period ended July 1, 2006 compared to net income of \$2,822,000 in the same three month period last year. Net income for the three month period ended July 1, 2006 was negatively impacted by unusually hot weather and rainstorms in the Northeast during significant portions of the third quarter rendering outdoor seating at the Company's New York City and Washington, D.C. facilities (historically, a substantial contributor to the Company's operations during the quarter) inefficient and the Company being required to recognize a \$187,000 non-cash compensation expense with regard to the Company's share-based compensation plan.

Net income for the nine-month period ended July 1, 2006 was \$3,252,000 compared to \$4,561,000 during the same nine-month period last year. In the nine month period in the previous year, net income was positively impacted by a \$644,000 gain realized on the sale of one of the Company's restaurants. Net income for the nine month period ended July 1, 2006 was also negatively impacted by the Company being required to recognize a \$561,000 non-cash compensation expense with regard to the Company's share-based compensation plan and \$447,000 in pre-opening and the early operating losses

experienced by the Company's Gallagher's Steakhouse and Luna Lounge in Atlantic City, New Jersey.

On July 27, 2006, the Company entered into an agreement to operate a casual sit-down restaurant known as The Grill at Two Trees in the Two Trees Inn, a facility owned by the Mashantucket Pequot Tribal Nation and a part of the Foxwoods Resort Casino, in Ledyard, Connecticut. The agreement provides that the Company cannot take possession of the restaurant until the Company obtains a liquor license for the facility. The Company is currently in the process of applying for such liquor license. The Company presently manages two facilities at the Foxwoods Resort Casino, a marketplace style restaurant known as the Fifth Street Cafe in the newly expanded poker room and a fast-casual restaurant in the Bingo Hall.

As of July 1, 2006, the Company had no long-term debt and a cash balance of \$5,889,000.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article23608.html>

© 1998 - 2007 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html