

Granite City Food & Brewery Comparable Restaurant Sales Increase 2.6%

2007-05-03

Granite City Food & Brewery Ltd. Reports Financial Results for the First Quarter of 2007

Granite City Food & Brewery Ltd. (Nasdaq:GCFB) a Modern American upscale casual restaurant chain, today reported results for the fiscal quarter ended March 27, 2007.

Financial and Company highlights for the first quarter compared to the same quarter last year were as follows:

- * Total revenues increased 52.9% to \$18.2 million
- * Comparable restaurant sales increased 2.6%
- * Restaurant-level EBITDA increased 39.9% to \$2.6 million
- * Continued leverage of general & administrative expenses-9.5% from 12.2% of sales
- * Raised approximately \$14.0 million of capital through a private placement of common stock

'We are pleased with our first quarter sales trends, our restaurant-level operating profitability and the continued leverage we experienced on our overhead structure with the expansion of our store base,' commented Steve Wagenheim, Granite City's CEO. 'Our sales gains reflect the hard work of our store employees and the strength of our concept considering the tough Midwest winter we experienced during February and early March. We work very hard to satisfy our customers who rewarded us with their loyalty through a difficult quarter when most of our category competitors reported negative traffic. We expect to build on our strong sales performance with the sales we enjoy from additional patio seating during the warmer months. Our development effort for 2007 is on track and we expect to have seven new Granite City restaurants before the end of this year.'

First Quarter 2007 Financial Results

Total revenues for the first quarter 2007 rose by 52.9% to \$18.2 million compared to \$11.9 million for the first quarter of 2006. Comparable restaurant sales increased 2.6% during the first quarter of 2007. The second quarter is off to a strong start with comparable restaurant sales gaining more than 5% in April.

Restaurant-level EBITDA rose 39.9% to \$2.6 million for the first quarter of 2007 compared to \$1.8 million for the first quarter of 2006. For all restaurants, the restaurant-level EBITDA margin was 14.1% for the first quarter compared to 15.4% last year. Our restaurant-level EBITDA was impacted primarily from the four new restaurants we opened towards the end of 2006. As is typically experienced in the industry, our new restaurants usually take six to twelve months to maximize their operating efficiency. More telling, the restaurant-level EBITDA for the comparable restaurants in our base remained relatively flat at 16.5% for the quarter compared to 16.7% last year.

General and administrative expenses declined to 9.5% of sales for the first quarter of 2007 compared to 12.2% for the first quarter of 2006. This decline demonstrates our increasing economies of scale as we leverage our corporate G&A expense across a larger restaurant base.

Our net loss was \$1.4 million or \$(0.10) per share for the first quarter of 2007 compared to a net loss of \$1.6 million or \$(0.12) per share for the first quarter of 2006.

Private Placement

In March 2007, the Company completed a private placement of approximately \$14.0 million of common stock. This new equity provides the growth capital to execute our plan to open seven new restaurants in 2007, and we expect that our stronger balance sheet is sufficient for new store expansion through 2008.

About Granite City

Granite City Food & Brewery Ltd., is a Modern American upscale casual restaurant chain that operates 18 restaurants in eight Midwestern states.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article27406.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