

## CBRL Group, Inc. Reports 40% Increase in Diluted Income Per Share from Continuing Operations for Fiscal 2007 Fourth Quarter

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Reports Full Year Fiscal 2007 Results - Provides EPS Guidance for Fiscal 2008

Comparable store restaurant sales for the fourth quarter fiscal 2007 increased 0.9% from prior year for Cracker Barrel Old Country Store(R) ('Cracker Barrel') while comparable store retail sales were up 2.5%, both on a comparable weeks basis.

Revenue for the fourth quarter, which included the benefit of an additional week in fiscal 2007, grew 12.2% to \$632 million compared with the prior year quarter.

Operating income margin from continuing operations in the fourth quarter was 9.1% of total revenue compared with 9.3% in the year-ago quarter.

After-tax income and diluted income from continuing operations were \$28.2 million and \$1.15 per share, respectively, for the fourth quarter fiscal 2007 compared with \$28.4 million and \$0.82, respectively, in the prior-year comparable period, a 40% increase on a diluted share basis.

In the fourth quarter, 1.4 million shares were repurchased for \$64.0 million. At the end of the quarter, 23.7 million shares were outstanding.

CBRL Group, Inc.(Nasdaq: CBRL) reported diluted income per share from continuing operations of \$1.15 for the fourth quarter of fiscal 2007, compared with \$0.82 from continuing operations in the fourth quarter of fiscal 2006, an increase of 40%. After-tax income from continuing operations was \$28.2 million, compared with \$28.4 million in the fourth quarter of fiscal 2006, with the reduction primarily reflecting a higher effective income tax rate partly offset by the benefit of an additional week in the 14-week fiscal 2007 quarter. On a per share basis, the reduction in shares outstanding associated with the Company's restructuring and related stock repurchase programs that it began in 2006 contributed to the 40% increase in diluted income from continuing operations.

On December 6, 2006, the Company announced that it had closed the sale of its subsidiary, Logan's Roadhouse(R) Inc. ('Logan's'). Logan's results and the related gain and expenses are classified as discontinued operations. Including the results of discontinued operations, the Company's fourth quarter net income and diluted net income per share were \$27.8 million and \$1.13, respectively, compared with \$35.8 million and \$1.03, respectively, in the fourth quarter of fiscal 2006.

### Fourth-Quarter Fiscal 2007 Results

#### Revenue from continuing operations

Total revenue from continuing operations for the fourth quarter of \$632.1 million represented an increase of 12.2% from the fourth quarter of fiscal 2006. Comparable store restaurant sales for the period increased 0.9% including a 2.0% higher average check, while guest traffic declined 1.1%, both on a comparable weeks basis. Cracker Barrel's average menu price increase for the quarter was approximately 2.0% compared with last year. Comparable store retail sales were up 2.5% for the quarter on a comparable weeks basis. During the quarter, the Company opened five new Cracker Barrel Old Country Store units, bringing the total year openings to 19. The additional week in the fourth quarter of fiscal 2007 added \$46.3 million of revenue contributing approximately 8.2 percentage points of the year-over-year revenue increase for the quarter.

#### Income from continuing operations

Operating income from continuing operations of \$57.6 million was 9.1% of total revenue during the fourth quarter of fiscal 2007 compared with \$52.6 million, or 9.3% of total revenue, in the fourth quarter of fiscal 2006. The additional week in the fourth quarter of fiscal 2007 contributed an estimated \$7.8 million of operating income to the quarter, or 0.6 percentage points of operating margin on a revenue-adjusted basis. Operating income from continuing operations for the fourth quarter of fiscal 2007 compared with the fourth quarter of fiscal 2006 was negatively affected by higher hourly and management wages, including the effect of minimum wage increases for tipped employees in several states, higher group health expenses, and higher maintenance expenses. Higher food costs were offset in cost of goods sold by lower retail product costs, and other store operating expenses were lower as a percent of revenue because of the additional week in the quarter.

After-tax income from continuing operations was \$28.2 million, or \$1.15 per diluted share, for the fourth quarter of fiscal 2007, compared with \$28.4 million, or \$0.82 per diluted share, for the comparable period of fiscal 2006. The lower after-tax income from continuing operations reflected a higher effective income tax rate in 2007 compared with 2006. Diluted income per share from continuing operations reflected fewer shares outstanding compared with the comparable prior-year period as a result of the Company's second successful 'Dutch Auction' tender offer and open market share repurchases. Including the Company's original restructuring Dutch Auction tender offer in 2006, it has repurchased a combined total of 25.5 million shares of the Company's common stock (approximately 54% of the amount previously outstanding) from the fourth quarter of fiscal 2006 through the fourth quarter of fiscal 2007.

Commenting on the fourth-quarter results, CBRL Group, Inc. Chairman, President and Chief Executive Officer Michael A. Woodhouse said, 'Although the restaurant and retail industries continue to face soft consumer demand as well as cost pressures, particularly in labor, we are pleased with our fourth quarter results, with revenues in line with expectations, and stronger than expected operating margins. We are also pleased that our comparable store restaurant traffic continues to outperform the full-service industry according to Knapp-Track(TM). Our comparable store retail sales, even with less revenue from Porch Sale clearance events, were positive in a challenging retail environment for many. As we enter fiscal 2008, we continue to focus on building traffic in our restaurants and increasing retail sales and leveraging the strength of the Cracker Barrel brand to appeal to new customers across multiple generations.'

#### Fiscal 2007 Results

Total revenue from continuing operations for fiscal 2007 of \$2.35 billion increased 6.0% from fiscal 2006. Comparable store restaurant sales increased 0.7% on a comparable weeks basis, including a 1.4% higher check, while guest traffic declined by 0.7%. Comparable store retail sales increased 3.2% on a comparable weeks basis. In fiscal 2007, the Company opened 19 Cracker Barrel Old Country Store units. An additional week in fiscal 2007 added \$46.3 million to revenues.

The Company reported income from continuing operations of \$76.0 million, or \$2.52 per diluted share, compared with income from continuing operations of \$95.5 million, or \$2.07 per diluted share, in fiscal 2006.

Year-to-date net cash flow provided by operating activities was \$96.9 million, compared with \$174.7 million in fiscal 2006, reflecting higher interest and income tax payments related to the Company's strategic initiatives and \$27.2 million of cash paid for the accreted interest portion of redemption of the Company's zero-coupon senior convertible notes.

#### Strategic Initiatives

The Company's strategic initiatives, which began in 2006, continued into the fourth quarter of fiscal 2007, during which time the Company redeemed its previously outstanding senior convertible notes for an aggregate of approximately \$189 million in cash and repurchased 395,775 shares of common stock issued as a result of conversion of a portion of those notes. In the fourth quarter, the Company completed its share repurchase authorization by purchasing 1.4 million shares for \$64.0 million.

The Company commented that its outlook for fiscal 2008 reflects many assumptions, the accuracy of which is not yet known. Based on current trends and estimates, the Company presently expects fiscal 2008 total revenue to increase approximately 4.5% to 5.5% over revenues from continuing operations in fiscal 2007 (which included a 53rd week equaling \$46.3 million of sales), positive comparable store sales and the opening of 20 new Cracker Barrel units during the year. Comparable store restaurant sales are projected to be up 3% to 4% on a comparable weeks basis, including approximately 3% to 3.5% of menu pricing, and comparable store retail sales are expected to be up 3% to 5% compared to fiscal 2007 on a comparable weeks basis. The Company also presently expects fiscal 2008 operating income margin as a percent of revenues from continuing operations to be approximately 6.7% to 7.0% compared with 7.0%, excluding the effect of a 53rd week, in fiscal 2007. Commodity cost inflation for the year, with an estimated 65% of product needs contracted, is expected to be 4% to 4.5%. Depreciation for the year is expected to be approximately \$60 million. Net interest expense is estimated at approximately \$60 million and diluted shares outstanding are expected to average 23.0 to 23.5 million. The Company has not completed its evaluation of the effect of adoption of FIN 48, and its outlook therefore reflects no change in income tax rate from fiscal 2007 actual. Diluted income from continuing operations per share is projected to be in the range of \$3.05 to \$3.20 per share. The Company presently expects full year fiscal 2008 capital expenditures of approximately \$105 million.

Commenting on the outlook, Mr. Woodhouse said, 'Having completed the strategic initiatives to achieve the appropriate capital structure, we now operate a single brand that continues to receive top ratings for food, facilities and customer service. Our seasoned leadership team is focused on the execution phase of our theme of 'Simplify, Focus and Execute' to drive increases in both traffic and retail sales. Finally, we expect the cash flow from Cracker Barrel to remain strong, being more than sufficient to finance Cracker Barrel's restaurant and retail initiatives and unit expansion. At the same time, we will continue to distribute a portion of our excess cash to our shareholders through dividends and, when appropriate, share repurchases.'

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