

Nathan's Famous, Inc. Reports Second Quarter Results

2007-11-06

Announces Additional Stock Acquisition Program for 500,000 Shares

Nathan's Famous, Inc. (NASDAQ:NATH) today reported results for the thirteen and twenty-six week periods ended September 23, 2007.

For the quarter ended September 23, 2007, income from continuing operations increased by 20.1% to \$1,774,000, as compared to \$1,477,000 for the quarter ended September 24, 2006. This represents Nathan's eighteenth consecutive quarter of increased profits from continuing operations, as compared to the same period for the prior year. Total revenue from continuing operations increased by 12.2% to \$14,062,000, as compared to \$12,534,000 during the quarter ended September 24, 2006.

Net income for the quarter was \$1,774,000 or \$0.27 per share, as compared to \$1,844,000 or \$0.30 per share for the quarter ended September 24, 2006. During the year-ago period, Nathan's realized a one-time gain in the amount of \$400,000 before tax and \$239,000 after tax relating to the sale of a leasehold interest.

For the twenty-six weeks ended September 23, 2007, income from continuing operations increased by 18.5% to \$3,198,000, as compared to \$2,698,000 for the twenty-six weeks ended September 24, 2006. Total revenue from continuing operations increased by 11.2% to \$26,841,000, as compared to \$24,132,000 during the twenty-six weeks ended September 24, 2006.

Net income for the current twenty-six week period was \$4,926,000 or \$0.75 per share, as compared to \$3,240,000 or \$0.52 per share for the twenty-six weeks ended September 24, 2006. During the current year's period, Nathan's realized gains from the sale of certain leasehold interests in Florida and from the sale of its formerly wholly owned subsidiary, Miami Subs Corporation. These gains amounted to \$2,489,000 before tax and \$1,598,000 after tax.

In addition, the Company announced that its Board of Directors has authorized the purchase of up to 500,000 shares of its common stock on behalf of the Company. Purchases will be made from time to time, depending on market conditions, in open market or privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the repurchases. On September 5, 2007, the Company completed its immediately preceding stock acquisition program covering 1 million shares. To date, Nathan's has acquired an aggregate 2 million shares of its common stock at a cost of \$9,158,000.

The Company also reported the following:

The Branded Product Program, featuring the sale of Nathan's hot dogs to the foodservice industry, has continued to grow over the prior year. Sales increased by 11.9% to \$11,124,000 for the fiscal 2008 period as compared to sales of \$9,937,000 in the fiscal 2007 period.

Revenues and operating profits from Nathan's company-owned restaurants, restaurant franchising, retail licensing and sales to our television marketer, increased by \$1,229,000 or 8.9% and \$1,052,000 or 16.5%, respectively, compared to the fiscal 2007 period.

Nathan's was named to the Forbes 200 Best Small Companies in America in Forbes' October 29, 2007 issue.

About Nathan's Famous

Nathan's products are distributed in 50 states, the District of Columbia and 14 foreign countries through its restaurant system, Branded Product Program and retail licensing activities. At September 23, 2007, the Nathan's restaurant system consisted of 308 units, consisting of 302 franchised or licensed units and six company-owned units (including one seasonal unit) featuring the Nathan's and Kenny Rogers Roasters brands.

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