

J. Alexander's Corporation Reports Net sales increased 2.6% to \$37,486,000 from \$36,525,000
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J. Alexander's Corporation Reports Results for First Quarter 2008

J. Alexander's Corporation (AMEX: JAX) today reported operating results for its first quarter ended March 30, 2008.

A summary of the first quarter of 2008 compared to the first quarter of 2007 follows:

Net sales increased 2.6% to \$37,486,000 from \$36,525,000.

Average weekly same store sales decreased by 2.5%.

Net income was \$1,576,000, down from \$2,025,000 in the comparable quarter of 2007, and diluted earnings per share decreased by 20.7% to \$.23 from \$.29.

Commenting on the Company's results, Lonnie J. Stout II, Chairman, President and Chief Executive Officer, said, 'The decline in same store sales, which we experienced beginning in mid-September of last year, continued through the first quarter of 2008. This decline, which we believe is due to economic issues affecting our guests, was the primary reason for our weaker performance in the quarter.' Stout said the J. Alexander's restaurants most impacted by prevailing economic conditions were primarily in the Company's Ohio and Chicago markets.

During the first quarter of 2008, J. Alexander's Corporation said average guest counts decreased 4.2% on a same store basis. The Company reported a 1.9% increase in its average guest check, including alcoholic beverage sales, over the first quarter of 2007. This increase was generally in line with menu price increases.

J. Alexander's Corporation's average weekly same store sales per restaurant for the first quarter of 2008 decreased to \$97,800 from \$100,300 in the first period a year ago. The Company's average weekly sales per restaurant for the first quarter of 2008 declined 3.7% to \$96,600 from \$100,300 recorded in the comparable period of the prior year. The Company estimates that the average weekly consolidated and same store sales comparisons for the first quarter of 2008 were aided by approximately .8% because of the timing of New Year's Eve which because of the Company's fiscal calendar was included in the first quarter of 2008, but not in the first quarter of 2007. Same store sales calculations are based on 28 restaurants open for more than 18 months. The average weekly consolidated and same store sales per restaurant and average same store guest count calculations have been adjusted for the effect of 15 sales days lost in the first quarter of 2008 due to a fire at the Denver restaurant and severe winter weather conditions in the Ohio market.

'While our sales results were disappointing in the first period of 2008, we were pleased with our performance in the area of expense management,' Stout continued. 'Our restaurant operating costs were generally in line with our targets for the quarter.'

Cost of sales was 32.1% of net sales for the first period of 2008, the same as the first quarter of last year, and down from 32.6% of net sales in the fourth quarter of 2007. Restaurant labor and related costs for the first quarter of 2008 were 31.2% of net sales as compared to 30.7% of net sales in the comparable quarter of 2007. The Company's restaurant operating margins (net sales minus total restaurant operating expenses divided by net sales) declined to 13% in the first quarter of 2008 from 14.7% in the corresponding period of 2007. The decline was due primarily to the decrease in same store sales and the effect of two new restaurants opened in the fourth quarter last year.

Stout said that early results in the new program to purchase beef 'at the market' have been positive with prices remaining lower than contract prices that J. Alexander's Corporation was paying a year ago. He pointed out, however, that there continues to be considerable uncertainty in the beef market and that the program, initiated in March, does increase the Company's risk by making it subject to variable market conditions. The J. Alexander's senior executive said that the Company will continue to closely monitor the beef market, noting that it will be prepared to consider negotiating a firm pricing arrangement if conditions change or the Company has what it believes is an attractive opportunity to do so.

Stout said J. Alexander's Corporation does not expect much, if any, improvement in same store sales trends until at least the latter part of the year when comparisons for 2007 become weaker.

'I do not believe consumer spending will improve noticeably until the issues creating the high levels of inflation, lack of consumer confidence and the credit crunch are resolved,' Stout commented. 'Most analysts don't foresee a significant change in consumer attitudes until sometime in 2009. In the meantime, we will continue to remain tightly focused on operational opportunities and making certain our customers have excellent dining experiences in our restaurants.'

Stout said the Company's development program is on schedule for 2008. Three new J. Alexander's restaurants are under development and are expected to open later this year in Orlando and Jacksonville, Florida and Scottsdale, Arizona.

J. Alexander's Corporation operates 30 J. Alexander's restaurants in Alabama, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Michigan, Ohio, Tennessee and Texas. J. Alexander's is an upscale, contemporary American restaurant known for its wood-fired cuisine. The Company's menu features a wide selection of American classics, including steaks, prime rib of beef and fresh seafood, as well as a large assortment of interesting salads, sandwiches and desserts. J.

Alexander's also has a full-service bar that features an outstanding selection of wines by the glass and bottle.

J. Alexander's Corporation is headquartered in Nashville, Tennessee.

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