



## Rubio's Restaurants, Inc. Reports First Quarter 2008 Results

2008-05-13

Revenues rose 2.9% to \$42.2 million from \$41.0 million

Rubio's(R) Restaurants, Inc. (NASDAQ:RUBO) today announced financial results for the 13-week first quarter ended March 30, 2008.

### First Quarter Results

Revenues rose 2.9% to \$42.2 million from \$41.0 million for the 13-week quarter in 2007.

Comparable store sales decreased 3.3%.

Net loss was \$(745,000) as compared to net income of \$196,000 for the same quarter last year.

Earnings per share was a loss of \$(0.07) per share as compared to earnings per share of \$0.02 for the same quarter last year.

Restaurant operating margins (see definition below) were 13.7% as compared to 15.3% for the same quarter last year. As a percentage of restaurant sales, restaurant labor decreased by 30 basis points, however, cost of sales increased by 50 basis points and restaurant occupancy and other costs rose by 140 basis points, due to higher advertising, rent and utilities costs.

Pre-opening expense increased to \$219,000 as compared to zero for the same quarter last year, due to the opening of 7 restaurants thus far in 2008 as compared to none during the first five months of 2007.

General and administrative expenses were \$4.6 million in the first quarter of 2008 compared to \$3.8 million in the first quarter of 2007. The increase in the 2008 quarter is primarily due to the addition of senior executives, legal costs and \$139,000 in costs associated with our decision to cancel our plans to build restaurants on sites that included four in developing trade areas in Northern California. These sites were located in trade areas that were experiencing rapid growth prior to the sub-prime mortgage crisis, however, that growth has been severely curtailed by the slow down in housing.

Adjusted EBITDA (see table below) decreased 50.1% to \$1.4 million from \$2.8 million for the same quarter last year.

Average unit volumes for the trailing 52 weeks were \$1,026,000 as compared to \$1,002,000 for the same quarter last year.

"Our first quarter results are indicative of the overall challenging macroeconomic environment, and in particular, higher gasoline prices and the weak housing markets in Arizona, Nevada and parts of California. Over the past several months, we have undergone a vigorous assessment of the opportunities to better leverage our resources and gain efficiencies in our cost structure, while continuing to focus on delivering unique products and an unsurpassed guest experience. Notably, we reduced our corporate support staff by just over 10% at the end of April and have several initiatives underway to lower food and labor costs while maintaining the integrity of our brand. We believe this balanced approach will better position us to achieve our profit goals in the near term and still execute our longer term strategy," said Dan Pittard, Rubio's President and CEO.

"We continue to focus on mature trade areas and look for attractive long-term opportunities in the softening real estate market. We've opened 7 restaurants in 2008 and currently have 3 more under construction, which puts us well on our way to meeting our 2008 growth target. While these economic times are tough, I remain optimistic about Rubio's longer term success and will be seeking to gain share with new units."

RUBIO'S RESTAURANTS, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share data)  
(unaudited)

	For the Thirteen Weeks Ended	
	March 30, 2008	April 1, 2007
RESTAURANT SALES	\$42,121	\$40,946
FRANCHISE AND LICENSING REVENUES	40	33
TOTAL REVENUES	42,161	40,979
COST OF SALES	12,286	11,761
RESTAURANT LABOR	13,868	13,583
RESTAURANT OCCUPANCY AND OTHER	10,202	9,325
GENERAL AND ADMINISTRATIVE EXPENSES	4,557	3,849
DEPRECIATION AND AMORTIZATION	2,259	2,207
PRE-OPENING EXPENSES	219	0
ASSET IMPAIRMENT AND STORE CLOSURE REVERSAL	(91)	0
LOSS ON DISPOSAL/SALE OF PROPERTY	104	18
OPERATING INCOME (LOSS)	(1,243)	236
OTHER INCOME, NET	1	103
INCOME (LOSS) BEFORE INCOME TAXES	(1,242)	339
INCOME TAX BENEFIT (EXPENSE)	497	(143)
NET INCOME (LOSS)	\$(745)	\$196
BASIC EPS DATA		
EPS	\$(0.07)	\$0.02
AVERAGE SHARES OUTSTANDING	9,950	9,793

DILUTED EPS DATA		
EPS	\$ (0.07)	\$0.02
AVERAGE SHARES OUTSTANDING	9,950	9,833
Percentage of Total Revenues		
For the Thirteen Weeks Ended		
	March 30, 2008	April 1, 2007
TOTAL REVENUES	100.0%	100.0%
COST OF SALES (1)	29.2%	28.7%
RESTAURANT LABOR (1)	32.9%	33.2%
RESTAURANT OCCUPANCY AND OTHER (1)	24.2%	22.8%
GENERAL AND ADMINISTRATIVE EXPENSES	10.8%	9.4%
DEPRECIATION AND AMORTIZATION	5.4%	5.4%
PRE-OPENING EXPENSES	0.5%	0.0%
ASSET IMPAIRMENT AND STORE CLOSURE REVERSAL	-0.2%	0.0%
LOSS ON DISPOSAL/SALE OF PROPERTY	0.2%	0.0%
OPERATING INCOME (LOSS)	-2.9%	0.6%
OTHER INCOME, NET	0.0%	0.3%
INCOME (LOSS) BEFORE INCOME TAXES	-2.9%	0.8%
INCOME TAX BENEFIT (EXPENSE)	-1.2%	0.3%
NET INCOME (LOSS)	-1.8%	0.5%

(1) As a percentage of restaurant sales

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 30, 2008	December 30, 2007
	(unaudited)	
CASH AND CASH EQUIVALENTS	\$1,589	\$3,562
OTHER CURRENT ASSETS	11,108	11,663
PROPERTY - NET	42,708	40,916
LONG-TERM INVESTMENTS	3,143	3,069
OTHER ASSETS	12,606	11,858
TOTAL ASSETS	\$71,154	\$71,068
CURRENT LIABILITIES	\$18,633	\$18,199
OTHER LIABILITIES	8,844	8,794
STOCKHOLDERS' EQUITY	43,677	44,075
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$71,154	\$71,068

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article32607.html>

© 1998 - 2008 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](http://www.hotelnewsresource.com/Info-news_account_info.html)