

## Nathan's Famous, Inc. Reports Year End Results and Adoption of Replacement Rights Plan

2008-06-09

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For the fifty-three weeks ended March 30, 2008, income from continuing operations increased by 11.7% to \$4,849,000, or \$0.75 per share as compared to \$4,341,000 or \$0.68 per share for the fifty-two weeks ended March 25, 2007. Total revenue from continuing operations increased by 10.3% to \$47,395,000 for the fifty-three weeks ended March 30, 2008 as compared to \$42,969,000 during fifty-two weeks ended March 25, 2007.

These results represent Nathan's fifth consecutive year of increased revenues and profits from continuing operations.

Net income for the fifty-three weeks ended March 30, 2008 increased by 18.3% to \$6,555,000 or \$1.01 per share as compared to \$5,543,000 or \$0.87 per share for the fifty-two weeks ended March 25, 2007.

During the current fiscal year, 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 \$1,576,000 after tax or \$0.24 per share. During the fifty-two weeks ended March 25, 2007, Nathan's realized a one-time gain relating to the sale of a leasehold interest in the amount of \$400,000 before tax and \$239,000 after tax or \$0.04 per share.

For the fourteen weeks ended March 30, 2008, income from continuing operations was \$774,000, or \$.12 per share as compared to \$824,000 or \$0.13 per share for the thirteen weeks ended March 25, 2007. Total revenue from continuing operations increased by 14.6% to \$10,274,000, as compared to \$8,962,000 during the thirteen weeks ended March 25, 2007.

Net income for the fourteen weeks ended March 30, 2008 was \$752,000 or \$0.12 per share, as compared to \$1,242,000 or \$0.19 per share for the thirteen weeks ended March 25, 2007. Discontinued operations for the thirteen weeks ended March 25, 2007 was \$418,000 or \$0.06 per share.

In addition, Nathan's Board of Directors has approved the amendment of Nathan's existing shareholder rights plan to accelerate the final expiration date of the common stock purchase rights to June 4, 2008, thereby terminating the existing rights, as well as the adoption of a new stockholder rights plan (the 'New Rights Plan') under which all stockholders of record as of June 5, 2008 will receive rights to purchase shares of common stock (the 'Rights'). The New Rights Plan will replace and update the Company's existing rights plan, which was in place since 1995, and which was previously scheduled to expire on June 19, 2010.

The Rights will be distributed as a dividend. Initially, the Rights will attach to, and trade with, the Company's common stock. Subject to the terms, conditions and limitations of the New Rights Plan, the Rights will become exercisable if (among other things) a person or group acquires 15% or more of the Company's common stock. Upon such an event and payment of the purchase price, each Right (except those held by the acquiring person or group) will entitle the holder to acquire shares of the Company's common stock (or the economic equivalent thereof) having a value equal to the purchase price. The Company's board of directors may redeem the Rights prior to the time they are triggered.

In the event of an unsolicited attempt to acquire the Company, the New Rights Plan is intended to facilitate the full realization of stockholder value in the Company and the fair and equal treatment of all Company stockholders. The New Rights Plan will not prevent a takeover attempt. Rather, it is intended to guard against abusive takeover tactics and encourage anyone seeking to acquire the Company to negotiate with the board of directors. The Company did not adopt the Rights Plan in response to any particular proposal.

The New Rights Plan will be outlined in greater detail in a summary that will be mailed to stockholders as of the record date. In addition, the Company will file a copy of the New Rights Plan with the Securities and Exchange Commission as an exhibit to the Company's Current Report on Form 8-K.

The Company also reported the following:

Revenues and operating profits from Nathan's company-owned restaurants, restaurant franchising, retail licensing and sales to our television marketer increased by \$2,018,000 or 8.6% and \$1,357,000 or 12.5%, respectively, for the fifty-three weeks ended March 30, 2008 as compared to the fifty-two weeks ended March 25, 2007.

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 10.0% to \$20,647,000 for the fifty-three weeks ended March 30, 2008 as compared to sales of \$18,774,000 for the fifty-two weeks ended March 25, 2007.

Nathan's created a new Limited-menu 'Frank & Fry' franchise program to enable qualified foodservice operators the ability to offer Nathan's hot dogs, crinkle cut French fries and a number of other Nathan's proprietary menu items. Nathan's opened 28 of these units during the fiscal year.

The Board of Directors authorized management to enter into a 10b5-1 trading plan to purchase shares of its common stock in order to effect Nathan's previously-announced stock buy-back program.

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