

Denny's same-store sales fall 2.8 percent in 2nd Quarter
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Denny's Reports Same-Store Sales and Preliminary Results for the Second Quarter of 2008

Denny's Corporation (NASDAQ:DENN) today reported same-store sales for its company-owned and franchised restaurants during the quarter ended June 25, 2008 compared with the related period in fiscal year 2007.

	2nd Quarter		Year-to-Date	
	2008	2007	2008	2007
<u>Same-Store Sales</u>				
Company Restaurants	(0.7%)	2.8%	0.0%	0.5%
Franchised Restaurants	(3.7%)	4.0%	(2.3%)	1.6%
System-wide Restaurants	(2.8%)	3.6%	(1.6%)	1.2%
<u>Company Restaurant Sales Detail</u>				
Guest Check Average	6.4%	3.6%	6.1%	3.1%
Guest Counts	(6.7%)	(0.8%)	(5.7%)	(2.6%)

Denny's ended the second quarter with system mix of 77% franchised and licensed restaurants and 23% company restaurants compared with 68% franchised and licensed restaurants and 32% company restaurants at the end of the related period in fiscal 2007. During the second quarter, Denny's opened two new company restaurants, closed one and sold 20 company restaurants to franchisee operators. Also during the second quarter, franchisees opened two new restaurants, closed eight and purchased 20 company restaurants.

Based on preliminary, unaudited results for the second quarter of 2008, Denny's expects adjusted income before taxes to be in the range of \$5.0 to \$5.5 million compared with \$1.5 million in the prior year period. The improvement in Denny's second quarter results is due primarily to growth in its higher-margin franchise business and proactive menu management, as well as lower depreciation expense from asset sales and lower interest expense from debt reduction. In addition, the company expects to report total operating revenue of approximately \$190.0 million compared with \$240.9 million in the prior year period due primarily to the sale of 137 company restaurants over the last four quarters.

Nelson Marchioli, President and Chief Executive Officer, stated, 'Our ability to deliver improved results during the second quarter, despite a difficult operating environment, is reflective of management's focus on optimizing our business model and streamlining our cost structure. We also improved operating margins at our company restaurants despite the cost pressures impacting our industry. We will continue to focus on providing our customers compelling new menu items that deliver value while driving profitable food cost margins.'

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