

P.F. Chang's Earns \$0.39 Per Share

2008-07-23

P.F. Chang's China Bistro, Inc. (NASDAQ: PFCB) today reported consolidated net income of \$9.4 million for the second quarter ended June 29, 2008 compared to \$9.3 million for the second quarter of the prior year. Net income per diluted share for the second quarter of fiscal 2008 was \$0.39 and the prior year was \$0.36.

(000 except per share data)	2Q08	2Q07
Revenues	\$304,079	\$266,823
Income from continuing operations	\$ 9,631	\$ 9,630
Net income	\$ 9,398	\$ 9,277
Income from continuing operations per diluted share	\$ 0.40	\$ 0.37
Net income per diluted share	\$ 0.39	\$ 0.36
Weighted average shares - diluted	24,247	26,129

For the second quarter of 2008, consolidated revenues were \$304.1 million compared to \$266.8 million for the second quarter of 2007. Sales at company-owned P.F. Chang's China Bistro restaurants accounted for \$231.8 million of consolidated revenues and sales at the Company's Pei Wei Asian Diner restaurants accounted for \$72.1 million of consolidated revenues.

For the 13 weeks ended June 29, 2008, comparable store sales decreased 2.3% at the Bistro as a reduction in overall guest traffic more than offset the benefit of a 4% to 5% average check increase reflecting the net impact of price increases and menu mix changes. Comparable store sales at the Bistro decreased 2.5%, 1.4%, and 2.9% in April, May and June, respectively.

For the 13 weeks ended June 29, 2008, comparable store sales decreased 3.2% at Pei Wei as a reduction in overall guest traffic more than offset the benefit of a slightly higher average check reflecting the net impact of price increases and menu mix changes. Comparable store sales at Pei Wei decreased 2.2%, 4.2%, and 3.5% for April, May and June, respectively.

Net income for both years includes a loss from discontinued operations related to the Company's previously announced decision to exit operation of its Taneko business. The Company has reached an agreement to sell Taneko's long-lived assets and the transaction is expected to close on August 1, 2008.

During the second quarter of 2008, the Company opened five new Bistro restaurants and four new Pei Wei restaurants.

2008 Expectations

'Revenues at both concepts for the second quarter were slightly below our expectations and we continue to believe that consumers will remain under economic pressure for the rest of the year,' noted Rick Federico, CEO. 'Despite our lower than anticipated revenue performance, we are pleased with our second quarter earnings which reflect better than anticipated operating results, as we continued to focus on improving operating margins and general & administrative costs, both of which were more favorable than expected during the quarter. We continue to remain optimistic about our business and given our better than expected results for the past two quarters, we are modestly increasing our earnings expectations for the year from a range of \$1.34 - \$1.40 per share to a range of \$1.36 - \$1.42 per share.'

The Company plans to open a total of 17 new Bistro restaurants and 25 new Pei Wei restaurants during 2008 and expects full year fiscal 2008 consolidated revenues to increase 12 to 13 percent.

2009 Development

The Company has reduced its planned 2009 development and currently expects to open 12 to 14 new Bistro restaurants and 6 to 10 new Pei Wei restaurants during fiscal 2009 primarily reflecting the current macroeconomic environment.

Share Repurchase Program

During the second quarter of fiscal 2008, the Company repurchased a total of 0.4 million shares of common stock for \$10.0 million at an average price of \$25.38 using cash on hand. The Company's current remaining share repurchase authorization was \$40.0 million at June 29, 2008.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article33653.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