

Carrols Restaurant Group, Inc. and Carrols Corporation Report Financial Results for the Second Quarter
2008
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Total revenues increased 5.1% to \$210.7 million from \$200.4 million, including a 5.1% increase for the Company's Hispanic Brands

Carrols Restaurant Group, Inc. (Nasdaq: TAST), the parent company of Carrols Corporation, today announced financial results for the second quarter ended June 29, 2008.

Highlights for the second quarter of 2008 versus the second quarter of 2007 include:

Total revenues increased 5.1% to \$210.7 million from \$200.4 million, including a 5.1% increase for the Company's Hispanic Brands,

Comparable restaurant sales increased 5.9% at Burger King(R), increased 0.1% at Pollo Tropical(R), and decreased 0.6% at Taco Cabana(R),

Income from operations was \$12.1 million compared to \$15.4 million,

Net income was \$3.3 million, or \$0.15 per diluted share, compared to net income of \$5.1 million, or \$0.24 per diluted share.

As of June 30, 2008, the Company owned and operated a total of 557 restaurants, including 319 Burger King, 88 Pollo Tropical and 150 Taco Cabana restaurants.

Alan Vituli, Chairman and Chief Executive Officer of Carrols Restaurant Group, Inc. commented, 'Soft comparable restaurant sales at both of our Hispanic Brands reflect the economic challenges in Florida affecting Pollo Tropical, competitive conditions in some of our Texas markets impacting Taco Cabana, as well as the broader challenges facing the restaurant industry in general. However, we continue to have strong top-line momentum at Burger King as we experience solid gains in customer traffic at that brand. While we continue to focus on steps to improve customer traffic at our Hispanic Brands, we are also finding it necessary to address escalating commodity and utility costs with additional price increases at all three brands. Overall, we remain confident in the long-term potential of our Hispanic Brands and the stability that our Burger King business brings to our restaurant portfolio in this difficult operating environment.'

Second Quarter 2008 Results

Total revenues for the second quarter of 2008 increased 5.1% to \$210.7 million from \$200.4 million in the second quarter of 2007. During the second quarter of 2008, the Company opened two new Pollo Tropical restaurants and four new Taco Cabana restaurants. The Company also closed three Burger King restaurants.

Revenues from the Company's Hispanic Brands increased 5.1% to \$108.8 million in the second quarter of 2008 from \$103.5 million in the same period last year. Pollo Tropical revenues increased 6.2% to \$45.4 million during the second quarter of 2008 compared to \$42.7 million in the second quarter of 2007. This was due primarily to the opening of 12 new Pollo Tropical restaurants since the beginning of the same period in 2007. Comparable restaurant sales at Pollo Tropical increased 0.1% in the second quarter of 2008.

Taco Cabana revenues increased 4.4% to \$63.4 million during the second quarter of 2008 compared to \$60.8 million in the second quarter of 2007. This was due primarily to the opening of 11 new Taco Cabana restaurants since the beginning of the same period in 2007. Comparable restaurant sales at Taco Cabana decreased 0.6% in the second quarter of 2008.

Burger King revenues increased 5.1% to \$101.8 million during the second quarter of 2008 compared to \$96.9 million in the second quarter of 2007, despite the closing of eight Burger King restaurants, excluding relocated restaurants, since the beginning of the same period in 2007. Comparable restaurant sales at Burger King increased 5.9% in the second quarter of 2008.

General and administrative expenses were \$13.7 million in the second quarter of 2008, or 6.5% of total revenues, compared to \$13.3 million, or 6.6% of total revenues, in the second quarter of 2007.

Income from operations was \$12.1 million in the second quarter of 2008, or 5.7% of total revenues, compared to \$15.4 million, or 7.7% of total revenues, in the second quarter of 2007.

Net income for the second quarter of 2008 was \$3.3 million, or \$0.15 per diluted share (based upon 21.6 million weighted average diluted shares). This compared to net income for the second quarter of 2007 of \$5.1 million, or \$0.24 per share (based upon 21.6 million weighted average diluted shares).

Six Month Results

For the six months ended June 30, 2008, total revenues increased 4.6% to \$406.4 million from \$388.7 million in the same period last year. Net income was \$4.7 million, or \$0.22 per diluted share compared to net income of \$6.7 million, or \$0.31 per diluted share for the six months ended June 30, 2007. Net income in 2007 included an after-tax non-recurring charge from the refinancing of the Company's senior credit facility of \$0.9 million, or \$0.04 per diluted share.

Mr. Vituli concluded, 'In view of our results in the first half of 2008, along with increasing costs and the challenging environment affecting our industry, we now expect earnings for 2008 to be in the range of \$0.65 to \$0.70 per diluted share. We are estimating that overall revenues will increase approximately 5% for the year with comparable restaurant sales increasing 4.5% to 5% at our Burger Kings and 0% to 1% at our Hispanic Brands. We believe that an economic turnaround in 2008 is unlikely and that continued pressures on consumer spending will continue to impact financial results in the second half of the year. We remain committed to execute what we believe are the tactics necessary for the short-term, and the growth strategy for the long-term success of our business while maintaining financial stability through the current business cycle. We are focused on strong operational execution combined with targeted advertising and promotions, along with new product introductions to improve customer traffic trends.'

'Having refinanced our senior credit facility in early 2007, our capital structure is stable and on terms that are favorable relative to the current credit markets. While we continue to prudently expand our Hispanic brands, we continue to manage our financial leverage and maintain financial stability with a diversified business model that enhances stability and moderates operating risks. We are confident that more favorable times are ahead and remain well positioned to benefit as the broader economic trends improve.'

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