

McCormick & Schmick's Seafood Restaurants, Inc. Second Quarter 2008 Financial Results
2008-08-07

Revenues increased 11.2% to \$99.7 million from \$89.6 million

McCormick & Schmick's Seafood Restaurants, Inc. (Nasdaq: MSSR) today reported financial results for its fiscal second quarter ended June 28, 2008.

Financial results for the second quarter 2008 compared to the second quarter 2007:

Revenues increased 11.2% to \$99.7 million from \$89.6 million

Comparable restaurant sales decreased 4.9%

Restaurant pre-opening costs increased to \$0.7 million from \$0.5 million

Operating income decreased to \$3.0 million from \$6.4 million, including \$0.5 million in impairment/restructuring charge

Net income decreased to \$2.4 million from \$4.5 million

Diluted earnings per share decreased to \$0.16 from \$0.31, which includes approximately \$0.02 diluted earnings per share for the impairment/restructuring charge

Revenues for the second quarter of 2008 increased 11.2% to \$99.7 million from \$89.6 million in the second quarter of 2007. The growth in revenues is primarily attributable to revenues generated by the opening of new restaurants in the last twelve months. Comparable sales decreased 4.9%, which reflects a decrease in guest traffic of 5.4%. The Company added one restaurant during the second quarter of 2008 in National Harbor, Maryland. The Company opened four restaurants through the first two quarters of 2008, of its eleven planned restaurants for fiscal 2008. In addition, the Company closed its Restaurant K location in downtown Washington D.C., which resulted in impairment/restructuring charge of \$0.5 million. All of the leasehold improvements related to Restaurant K were fully impaired as of the end of fiscal year 2007.

Douglas Schmick, Chairman and Chief Executive Officer, said, 'Our second quarter comparable sales decrease of 4.9% was in line with our expectations, and improved over the first quarter decrease of 5.8%. Although the U.S. consumer continues to be impacted by high gas prices and general economic conditions, we are continuing to reach out to the strongest and most loyal segments of our customer base with targeted messaging. We are executing on our initiatives, including our recently implemented Featured Wild Seafood program, National Sales program and Infused Cocktail program and are disciplined in controlling costs.'

On July 30, 2008, the Company's Board of Directors authorized the repurchase of up to \$20 million of the Company's common stock.

Mr. Schmick continued, 'We have a great deal of confidence in the long-term prospects of our brand and believe that the share buyback program authorization demonstrates our commitment to creating long-term value for all of our shareholders.'

Financial Guidance

The Company intends to open four new restaurants in the third quarter of 2008, and a total of eleven new restaurants in fiscal year 2008, of which six have already opened, and six in fiscal year 2009. The Company also maintains its previous financial guidance for fiscal year 2008 revenues of between \$410.0 million and \$420.0 million and comparable restaurant sales decrease between 2% and 4%. Diluted earnings per share are expected to be between \$0.64 and \$0.74.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article33964.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