

CBRL Group Revenue for the fourth quarter declined 4.8%

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CBRL Group, Inc. Reports Fiscal 2008 Fourth Quarter

CBRL Group, Inc., (Nasdaq: CBRL):

Fully diluted income from continuing operations per share of \$0.91 for the fourth quarter fiscal 2008 compared with \$1.15 in the prior-year period¹

Revenue for the fourth quarter declined 4.8% to \$601.8 million compared with the prior year quarter¹

Operating income margin from continuing operations in the fourth quarter was 6.9% of total revenue compared with 9.1% in the year-ago quarter reflecting one less week in the quarter, higher product costs and operating expenses¹

(1) Fiscal 2007 included an additional week in the fiscal fourth quarter, which contributed \$46.3 million of revenue, \$7.8 million of operating income or 0.6 percent on a revenue-adjusted basis and \$0.17 of income per diluted share in the quarter.

CBRL Group, Inc. (Nasdaq: CBRL) today reported income from continuing operations of \$0.91 per diluted share for the fourth quarter of fiscal 2008, compared with \$1.15 per diluted share from continuing operations in the fourth quarter of fiscal 2007, a decrease of 20.9%. Income from continuing operations was \$20.6 million compared with \$28.2 million in the fourth quarter of fiscal 2007, with the reduction reflecting lower operating income for the fourth quarter of fiscal 2008 and non-recurrence of \$4.4 million in after-tax income from the additional week in the fourth quarter of fiscal 2007, partially offset by a lower effective tax rate in fiscal 2008.

Fourth-Quarter Fiscal 2008 Results

Revenue from continuing operations

Total revenue from continuing operations of \$601.8 million for the fourth quarter represented a decrease of 4.8% from the fourth quarter of fiscal 2007. Comparable store restaurant sales for the period decreased 0.8%, including a 3.7% higher average check on a comparable weeks basis. Comparable store retail sales were up 0.8% for the quarter on a comparable weeks basis. During the quarter, the Company opened one new Cracker Barrel Old Country Store unit, bringing the new store openings for fiscal 2008 to 17. Excluding the effect of last year's additional week, fourth quarter revenue would have increased 2.7%.

Income from continuing operations

Operating income from continuing operations of \$41.6 million was 6.9% of total revenue for the fourth quarter of fiscal 2008 compared with \$57.6 million, or 9.1% of total revenue, in the fourth quarter of fiscal 2007. The additional week in the fourth quarter of fiscal 2007 contributed an estimated \$7.8 million of operating income to the quarter, or 0.6 percentage points of operating margin on a revenue-adjusted basis. Operating income from continuing operations for the fourth quarter of fiscal 2008 compared with the fourth quarter of fiscal 2007 was negatively affected by higher food and retail costs, increased operating expenses including utilities, advertising and supplies expenses and higher general and administrative expenses. Labor costs were 0.4 percentage point lower as a percent of revenues than the fourth quarter of fiscal 2007.

After-tax income from continuing operations was \$20.6 million, or \$0.91 per diluted share, for the fourth quarter of fiscal 2008, compared with \$28.2 million, or \$1.15 per diluted share, from continuing operations in the fourth quarter of fiscal 2007. The lower after-tax income from continuing operations reflected \$4.4 million less income, \$0.17 per share, from the extra week in the fiscal 2007 fourth quarter and lower operating income partly offset by a lower tax rate in the fiscal 2008 fourth quarter.

Commenting on the fourth-quarter results, CBRL Group, Inc. Chairman, President and Chief Executive Officer Michael A. Woodhouse said, 'The soft consumer demand combined with commodity and operating cost pressures resulted in lower operating profit for the quarter. Despite these challenges, we outperformed many in the casual dining industry as measured by comparable store sales published by the industry monitoring Knapp-Track(TM) report. Our key to success is simple: providing honest value which we define as ample portions of high quality food at a fair price. As we enter fiscal 2009, we intend to continue to leverage the strength of the Cracker Barrel brand to build traffic in our restaurants and increase retail sales.'

Fiscal 2008 Results

Total revenue from continuing operations of \$2.38 billion for fiscal 2008 represented an increase of 1.4% over fiscal 2007. Comparable store restaurant sales increased 0.5% on a comparable weeks basis, including a 3.4% higher check. Comparable store retail sales decreased 0.3% on a comparable weeks basis. Excluding the additional week in fiscal 2007, revenues increased 3.4%.

The Company reported income from continuing operations of \$65.3 million, or \$2.79 per diluted share, compared with income from continuing operations of \$76.0 million, or \$2.52 per diluted share, in fiscal 2007. Excluding the \$0.14 effect of the 53rd week in fiscal 2007, earnings per share in fiscal 2008 would have increased 17 percent from fiscal 2007.

Net cash flow provided by operating activities was \$124.5 million, compared with \$96.9 million in fiscal 2007, reflecting lower net income from continuing operations in fiscal 2008 and the non-recurrence of the taxes and expenses related to disposing of our Logan's Roadhouse operations and redeeming our previously outstanding senior notes in fiscal 2007. Cash provided by operating activities exceeded the Company's capital expenditure needs, which totaled \$87.8 million for the year.

Fiscal 2009 Outlook

The Company urges caution in considering its current trends and the outlook disclosed in this press release. The restaurant industry is highly competitive, and trends and guidance are subject to numerous factors, risks and influences, some of which are discussed in the cautionary language at the end of this press release and others that are described in the Company's Annual Report on Form 10-K for the fiscal year ended August 3, 2007 and subsequent Quarterly Reports on Form 10-Q which can be found on the Securities and Exchange Commission's website, sec.gov, and the Company's website, cbrlgroup.com. The Company disclaims any obligations to update disclosed information on trends or targets other than in its periodic filings with the Securities and Exchange Commission.

The Company commented that its outlook for fiscal 2009 reflects many assumptions, the accuracy of which is not yet known. Based on current trends and estimates, the Company presently expects fiscal 2009 total revenue to increase approximately 4.5% to 5.5% over revenue in fiscal 2008. The revenue increase reflects the expected opening of 12 new Cracker Barrel units during the year, a projected comparable store restaurant sales increase of between 2% to 3%, including approximately 3.5% of menu pricing, and a projected comparable store retail sales increase of between 2.5% to 3.5%. The Company also presently expects fiscal 2009 operating income margin as a percent of revenues to be approximately 6.0% to 6.3% compared with 6.3% in fiscal 2008. Commodity cost inflation for fiscal 2009 is expected to be 4% to 5% with nearly 60% of product needs presently contracted. Depreciation for the year is expected to be approximately \$62 million. Net interest expense is estimated at \$57 to \$58 million, and diluted shares outstanding are expected to average approximately 22.5 to 23.0 million. The Company expects its full year 2009 effective tax rate to be between 30% and 31%. Income from continuing operations per diluted share is projected to be in the range of \$2.80 to \$3.00 per share. The Company presently expects capital expenditures during fiscal 2009 to be between \$95 and \$98 million. As previously announced, the Company has authority to repurchase up to \$65 million of its outstanding common stock. Any repurchases will be effected solely from free cash flow.

Commenting on the outlook, Mr. Woodhouse said, 'As we look forward to our 40th anniversary, we recognize that we face significant challenges in the year ahead. Nonetheless, we are excited about the longer term opportunities to reach new generations of family diners with our unique offering of down-home cooking and nostalgic retail offerings. We aim to make our good brand better. This includes improving our financial results with operational initiatives to generate higher restaurant and retail sales. Achieving higher profit margins on each sales dollar will largely depend on our ability to manage our costs. Most important, we cannot lose the energy and excitement of our 65,000 employees who serve our guests every day.'

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