

Carrols Restaurant Group, Inc. and Carrols Corporation Report Preliminary Financial Results for the
Third Quarter 2008
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Total revenues for the third quarter of 2008 are expected to be approximately \$209.1 million, an expected increase of 2.7% over the third quarter of 2007 with comparable restaurant sales anticipated to increase 3.5% at Burger King(R), and to decrease (1.9%) at Pollo Tropical(R) and (0.9%) at Taco Cabana(R).

Carrols Restaurant Group, Inc. (Nasdaq: TAST), the parent company of Carrols Corporation, today reported preliminary financial results for the third quarter ended September 28, 2008.

Total revenues for the third quarter of 2008 are expected to be approximately \$209.1 million, an expected increase of 2.7% over the third quarter of 2007 with comparable restaurant sales anticipated to increase 3.5% at Burger King(R), and to decrease (1.9%) at Pollo Tropical(R) and (0.9%) at Taco Cabana(R). The Company estimates that it lost about 150 total restaurant operating days during the third quarter due to restaurant closures at Taco Cabana caused by Hurricane Ike. Diluted earnings per share for the period are expected to be between \$0.15 and \$0.17. The Company will provide additional details regarding its third quarter and nine month results and revised 2008 guidance during its upcoming quarterly conference call, which is currently scheduled for November 4, 2008.

Alan Vituli, Chairman and Chief Executive Officer of Carrols Restaurant Group, Inc. commented, 'Persistent macro economic challenges, particularly in Florida, were further exacerbated by some unfortunate weather patterns in Texas during the third quarter, as Hurricane Ike forced the temporary closing of many of our 40 Taco Cabana restaurants in the Houston area for several days. We have been pro-actively addressing escalating commodity and utility costs with menu price increases across all three brands in attempt to maintain operating margins. We are diversified by brand, geographic area of operations and customer profile, which generally enables us to moderate operating risks while adding stability.'

Vituli added, 'Given the current economic environment, we have lowered our planned rate of new unit growth and elected to defer certain discretionary capital expenditure initiatives in order to reduce our debt. We have reduced capital expenditures for 2008, and now anticipate total capital expenditures of \$65 to \$70 million, compared to our earlier plan of \$70 million to \$80 million. In 2009, we plan to further limit our discretionary capital spending and currently anticipate total capital expenditures of \$20 to \$30 million with new unit growth significantly reduced from 2008. We have also completed \$10.5 million in sale/leaseback transactions to date in 2008, including \$4.0 million in October, with approximately \$12 million of additional sale/leasebacks being marketed and expected to close over the next six to nine months. These actions are intended to maximize free cash flow during these uncertain times and to reduce our outstanding debt. We intend to follow this strategy until such time as we have better visibility as to consumer spending, the economy and the capital markets as a whole.'

Vituli concluded, 'Given the current environment, we are prudently managing our financial leverage. We completed a refinancing of our senior credit facility in early 2007 with terms that are favorable in relation to current markets. The actions that we are taking to improve liquidity and to reduce debt should provide a greater margin of safety with respect to the financial covenants in our loans.'

During the third quarter, the Company opened one new Pollo Tropical restaurant and three new Taco Cabana restaurants. The Company also closed two Burger King restaurants. As of September 28, 2008, the Company owned and operated a total of 559 restaurants, including 317 Burger King, 89 Pollo Tropical and 153 Taco Cabana restaurants.

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