

Brazil Fast Food, Aka Bob's, Finally Makes Money

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Brazil Fast Food, a 388-outlet fast-food chain and the second largest fast-food chain operator in Brazil, behind McDonald's, yesterday announced financial results for its fourth quarter ended Dec. 31, 2004.

System-wide sales for the three months ended Dec. 31, 2004, increased 25.02 percent to R\$81,870,652.29, from R\$65,485,452.74 for the same period of the prior year. Net franchise revenue was R\$2.5 million for the three-month period ended Dec. 31, 2004 - a 25 percent increase from 2003's fourth-quarter net franchise revenue of R\$2.0 million.

The net operating profit for the fourth quarter of 2004 was R\$1.8 million, versus a net operating profit of R\$276,000 for the same period of 2003. Net loss was R\$(102,000), or R\$(0.02) per share, basic and diluted, for the fourth quarter of 2004, versus a net loss of R\$(830), or R\$(.11) per share, basic and diluted, for the fourth quarter of 2003.

For the 12-month period ended Dec. 31, 2004, Brazil Fast Food reported system-wide sales of R\$271,048,305.38, up 20.90 percent from R\$224,187,095.22 in system-wide sales for the same period of the prior year.

Net franchise revenue for the year ended Dec. 31, 2004, was R\$8.0 million - a 19 percent rise from net franchise revenue of R\$6.7 million for the prior year.

The Company reported a net operating profit of about R\$4.6 million - a dramatic improvement from the R\$(691,000) operating loss realized for 2003.

Brazil Fast Food reported net income of R\$601,000, or R\$0.08 per share, basic and diluted, for the twelve-month period ended Dec. 31, 2004, compared with a net loss of R\$(4.1) million, or R\$(.55) for 2003.

Short-term debt and long-term debt were R\$7.3 million and R\$21.9 million, respectively, as of Dec. 31, 2004, compared with short-term debt of R\$6.8 million and long-term debt of R\$23.8 for the same date of the prior year.

Brazil Fast Food also announced that, as of April 22, 2005, it has repurchased a total of 23,500 shares of Brazil Fast Food common stock under its previously announced Board-approved stock repurchase plan, which allows for the repurchase of as many as 200,000 shares of the Company's common stock.

Ricardo Figueiredo Bomeny, Chief Executive Officer of Brazil Fast Food Corp., stated, "Our financial results for 2004 reflect the impact of a healthier Brazilian economy and our disciplined management team. The economic environment in Brazil has been much more favorable, marked by higher rates of income and employment and a lower rate of inflation. This has resulted in more disposable income and greater buying power for Brazilians, contributing to our sales increase.

"Our management team has worked diligently to strategically position Brazil Fast Food to realize significant benefits from such an economic up-tick. During 2004, we added a net total of 47 points of sale, increased our number of franchisees and expanded our chain's geographical coverage.

"This includes our re-entry into the important market of Belo Horizonte, a Brazilian city with a population of more than 2.3 million. A single franchisee opened its fifth store in Belo Horizonte, and has plans to open an additional five restaurants there this year.

"We also opened more Bob's kiosks - both Company-owned and franchised - during 2004. These kiosks require less start-up capital and deliver higher margins. A fresh, new marketing campaign and a store modernization project are helping us to revitalize our image and increase sales. In addition, we have boosted sales with an effective in-store motivational program and realized the bottom-line benefits of strict cost-cutting initiatives.

"While we are encouraged by the progress we made during 2004, we realize that there is still a long way to go. Brazil Fast Food remains a going concern, however, we are addressing the Company's problems and continuing to grow the Bob's chain and increase sales.

"The prospects for 2005 remain positive for the Brazilian economy - a crucial factor in our performance. This is a much more hospitable environment for our growth initiatives and our profitability goals.

"Therefore, we believe that we will be able to continue to leverage the strength of our brand, the unique quality and selection of our menu and our established niche in Brazil's fast-food market in our efforts to secure the future of our Company."

Brazil Fast Food Corp. owns and operates, both directly and through franchisees, the second largest chain of hamburger fast-food restaurants in Brazil, through its wholly owned subsidiary, Venbo Comercio de Alimentos Ltda.

Brazil Fast Food Corp. conducts business in Brazil under the trade name "Bob's." As of December 31 2004, the Company had 388 points of sale, which includes traditional restaurants, kiosks and re-locatable trailers.

Brazil Fast Food Corp.
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