

**Bob Evans Farms, Inc.**  
Earnings Release Fact Sheet (unaudited)  
Fiscal 2008 – Quarter 2

Note: amounts are in thousands, except per share amounts

**Second quarter (Q2), ended October 26, 2007, compared to the corresponding period a year ago:**

	<u>Consolidated Results</u>				<u>Restaurant</u>		<u>Food Products</u>	
	<u>Q2 2008</u>	<u>% of sales</u>	<u>Q2 2007</u>	<u>% of sales</u>	<u>Q2 2008</u>	<u>Q2 2007</u>	<u>Q2 2008</u>	<u>Q2 2007</u>
Net sales	\$426,255		\$412,732		\$356,168	\$346,320	\$70,087	\$66,412
Cost of sales	127,978	30.0%	120,980	29.3%	25.6%	24.8%	52.4%	53.1%
Operating wages	149,483	35.1%	148,999	36.1%	39.7%	40.8%	11.4%	11.6%
Other operating	69,951	16.4%	67,454	16.3%	18.5%	18.4%	5.6%	5.5%
S,G & A	33,906	8.0%	34,553	8.4%	5.8%	5.8%	19.0%	21.6%
Depr. & amort.	<u>18,973</u>	<u>4.4%</u>	<u>18,401</u>	<u>4.5%</u>	<u>4.8%</u>	<u>4.7%</u>	<u>2.8%</u>	<u>3.0%</u>
Operating income	25,964	6.1%	22,345	5.4%	5.6%	5.5%	8.8%	5.2%
Interest	<u>2,661</u>	<u>0.6%</u>	<u>2,355</u>	<u>0.6%</u>				
Pre-tax income	23,303	5.5%	19,990	4.8%				
Income taxes	<u>7,819</u>	<u>1.9%</u>	<u>6,496</u>	<u>1.5%</u>				
Net income	\$15,484	3.6%	\$13,494	3.3%				
EPS – basic	\$0.45		\$0.37					
EPS – diluted	\$0.45		\$0.37					
Dividends paid per share	\$0.14		\$0.14					
Weighted average shares outstanding:								
Basic	34,091		36,428					
Dilutive stock options	<u>261</u>		<u>301</u>					
Diluted	34,352		36,729					
Shares outstanding at quarter end	33,509		36,551					

- Income taxes, as a percentage of pre-tax income, were 33.6% vs. 32.5%

**Consolidated Review:**

- Net sales increased 3.3% (\$426.3 million vs. \$412.7 million).
- Operating income increased 16.2% (\$26.0 million vs. \$22.3 million).
- Pre-tax income increased 16.6% (\$23.3 million vs. \$20.0 million).
- Effective tax rate was 33.6% compared to 32.5%.
- Net income increased 14.7% (\$15.5 million vs. \$13.5 million).
- Diluted EPS was \$0.45 vs. \$0.37.
- Repurchased approximately 1.1 million shares in the quarter (approximately 2.1 million shares ytd).
- The second quarter results include the impact of the following (dollars in thousands):
  - Consolidated and restaurant results for the second quarters of fiscal 2008 and 2007 included net pre-tax gains of \$971 and \$445, respectively, on asset disposals.
  - The company adopted SFAS 123(R), which requires the expensing of stock options, in the first quarter of FY07. The company significantly reduced the issuance of stock options and implemented a new performance incentive plan which predominantly uses restricted stock as the award. The pre-tax expenses of adopting SFAS 123(R) and issuing awards under the new plan are:

(amounts in thousands)

	Q2 FY 08 <u>Actual *</u>	Q2 FY 07 <u>Actual *</u>	Total FY 08 <u>Estimated</u>	Total FY 07 <u>Actual</u>
Stock options	\$ 125	\$ 494	\$ 833	\$2,257
New plan (excluding options)	<u>613</u>	<u>558</u>	<u>5,495</u>	<u>3,428</u>
Total	\$ 738	\$ 1,052	\$ 6,328	\$5,685

\* Expense is reflected in S, G & A: \$532 and \$510 in 2008 and 2007, respectively, in the restaurant segment and \$206 and \$542 in 2008 and 2007, respectively, in the food products segment.

- Food Products FY 08 Q2 results included a \$0.7 million year-over-year reduction in advertising expense due to timing.

**Restaurant Review:**

- Overall restaurant sales increased 2.8% (\$356.2 million vs. \$346.3 million).
- Nominal same-store sales increased 0.7% at Bob Evans Restaurants and decreased 1.5% at Mimi's.
- Operating income increased 4.8% (\$19.8 million vs. \$18.9 million).
- Operating margin was 5.6% compared to 5.5%.
- Restaurants in operation at quarter end were: 579 Bob Evans Restaurants and 118 Mimi's. 586 Bob Evans Restaurants and 105 Mimi's were in operation a year ago.
- Restaurant openings, by quarter:

## Bob Evans Restaurants:

<u>Fiscal Year</u>	<u>Beginning Total</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>	<u>Closings</u>	<u>Ending Total</u>
<b>2008</b>	<b>579</b>	<b>0</b>	<b>0</b>	<b>1e</b>	<b>1e</b>	<b>2e</b>	<b>0</b>	<b>581e</b>
2007	587	4	1	3	2	10	18	579
2006	591	6	6	3	5	20	24	587
2005	558	11	12	10	4	37	4	591
2004	523	3	11	12	11	37	2	558
2003	495	0	4	8	17	29	1	523

## Mimi's Cafes:

<u>Fiscal Year</u>	<u>Beginning Total</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>	<u>Closings</u>	<u>Ending Total</u>
<b>2008</b>	<b>115</b>	<b>1</b>	<b>2</b>	<b>7e</b>	<b>7e</b>	<b>17e</b>	<b>0</b>	<b>132e</b>
2007	102	2	1	3	7	13	0	115
2006	92	1	2	1	6	10	0	102
2005	81	0	3	4	4	11	0	92

## Consolidated Restaurants:

<u>Fiscal Year</u>	<u>Beginning Total</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>	<u>Closings</u>	<u>Ending Total</u>
<b>2008</b>	<b>694</b>	<b>1</b>	<b>2</b>	<b>8e</b>	<b>8e</b>	<b>19e</b>	<b>0</b>	<b>713e</b>
2007	689	6	2	6	9	23	18	694
2006	683	7	8	4	11	30	24	689
2005	639	11	15	14	8	48	4	683

- Rebuilt restaurant openings, by quarter:

<u>Fiscal Year</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>
<b>2008</b>	<b>2</b>	<b>2</b>	<b>1e</b>	<b>3e</b>	<b>8e</b>
2007	1	1	1	1	4
2006	6	4	3	1	14
2005	3	5	0	2	10

- Bob Evans Restaurants same-store sales analysis (24-month core; 538 restaurants):

	<u>Fiscal 2008</u>			<u>Fiscal 2007</u>			<u>Fiscal 2006</u>		
	<u>Nominal</u>	<u>Menu</u>	<u>Real</u>	<u>Nominal</u>	<u>Menu</u>	<u>Real</u>	<u>Nominal</u>	<u>Menu</u>	<u>Real</u>
May	0.9	2.0	(1.1)	(1.2)	3.1	(4.3)	(2.4)	(1.5)	(0.9)
June	4.0	2.6	1.4	(4.1)	3.0	(7.1)	(3.1)	0.5	(3.6)
July	<u>4.4</u>	<u>2.6</u>	<u>1.8</u>	<u>(5.6)</u>	<u>3.0</u>	<u>(8.6)</u>	<u>(0.7)</u>	<u>0.5</u>	<u>(1.2)</u>
Q1	3.2	2.4	0.8	(3.9)	3.0	(6.9)	(1.9)	(0.1)	(1.8)
August	4.3	2.6	1.7	(4.2)	3.0	(7.2)	(1.5)	0.5	(2.0)
September	0.4	2.6	(2.2)	5.0	2.4	2.6	(4.4)	1.0	(5.4)
October	<u>(1.9)</u>	<u>1.8</u>	<u>(3.7)</u>	<u>3.0</u>	<u>2.4</u>	<u>0.6</u>	<u>(3.5)</u>	<u>1.5</u>	<u>(5.0)</u>
Q2	0.7	2.3	(1.6)	1.3	2.6	(1.3)	(3.1)	1.0	(4.1)
November				0.6	1.9	(1.3)	(2.2)	2.0	(4.2)
December				3.3	1.3	2.0	(2.2)	2.6	(4.8)
January				<u>2.4</u>	<u>2.3</u>	<u>0.1</u>	<u>4.1</u>	<u>2.6</u>	<u>1.5</u>
Q3				2.1	1.8	0.3	(0.4)	2.4	(2.8)
February				(0.7)	2.4	(3.1)	(1.5)	2.6	(4.1)
March				1.2	2.4	(1.2)	(0.5)	2.6	(3.1)
April				<u>2.1</u>	<u>1.9</u>	<u>0.2</u>	<u>(0.6)</u>	<u>3.2</u>	<u>(3.8)</u>
Q4				1.0	2.2	(1.2)	(0.9)	2.8	(3.7)
<b>Fiscal year</b>				<b>0.1</b>	<b>2.4</b>	<b>(2.3)</b>	<b>(1.6)</b>	<b>1.5</b>	<b>(3.1)</b>

- Mimi's Cafe same-store sales analysis (24-month core; 92 restaurants):

	<u>Fiscal 2008</u>			<u>Fiscal 2007</u>			<u>Fiscal 2006</u>		
	<u>Nominal</u>	<u>Menu</u>	<u>Real</u>	<u>Nominal</u>	<u>Menu</u>	<u>Real</u>	<u>Nominal</u>	<u>Menu</u>	<u>Real</u>
May	(0.4)	4.0	(4.4)	0.3	2.5	(2.2)	4.8	2.6	2.2
June	(0.1)	4.0	(4.1)	(1.0)	2.5	(3.5)	3.0	2.6	0.4
July	<u>(1.5)</u>	<u>3.9</u>	<u>(5.4)</u>	<u>1.9</u>	<u>2.6</u>	<u>(0.7)</u>	<u>1.6</u>	<u>2.0</u>	<u>(0.4)</u>
Q1	(0.7)	4.0	(4.7)	0.4	2.5	(2.1)	3.0	2.3	0.7
August	(1.9)	3.9	(5.8)	0.5	2.6	(2.1)	3.8	1.3	2.5
September	(2.0)	3.9	(5.9)	3.3	2.4	0.9	0.1	1.3	(1.2)
October	<u>(0.8)</u>	<u>3.7</u>	<u>(4.5)</u>	<u>2.2</u>	<u>2.7</u>	<u>(0.5)</u>	<u>1.4</u>	<u>1.6</u>	<u>(0.2)</u>
Q2	(1.5)	3.8	(5.3)	2.0	2.6	(0.6)	1.8	1.5	0.3
November				2.2	2.9	(0.7)	(0.5)	2.3	(2.8)
December				2.7	3.4	(0.7)	(0.3)	2.3	(2.6)
January				<u>2.8</u>	<u>4.7</u>	<u>(1.9)</u>	<u>2.2</u>	<u>2.3</u>	<u>(0.1)</u>
Q3				2.6	3.6	(1.0)	0.4	2.3	(1.9)
February				2.6	4.6	(2.0)	0.2	2.4	(2.2)
March				(0.2)	5.0	(5.2)	1.3	2.4	(1.1)
April				<u>1.3</u>	<u>5.0</u>	<u>(3.7)</u>	<u>1.8</u>	<u>2.4</u>	<u>(0.6)</u>
Q4				1.2	4.9	(3.7)	1.1	2.4	(1.3)
<b>Fiscal year</b>				<b>1.6</b>	<b>3.4</b>	<b>(1.8)</b>	<b>1.6</b>	<b>2.2</b>	<b>(0.6)</b>

- Key restaurant sales data (core restaurants only):

	<u>Bob Evans Restaurants</u>	<u>Mimi's</u>
Average annual store sales (\$) – FY07	\$1,755,000	\$3,472,000
Q2 FY08 day part mix (%):		
Breakfast	32%	20%
Lunch	36%	40%
Dinner	32%	40%
Q2 FY08 check average (\$)	\$7.67	\$10.52

- Quarterly restaurant sales by concept:

<u>Q2 2008</u>	
Bob Evans Restaurants	\$259,620,000
Mimi's Cafes	<u>96,548,000</u>
	\$356,168,000

Total

**Food Products Review:**

- Net sales increased 5.5% (\$70.1 million vs. \$66.4 million).
- Comparable pounds sold increased 2%.
- Operating income increased 79.0% (\$6.1 million vs. \$3.4 million).
- Operating margin was 8.8% compared to 5.2%.
- Average hog cost decreased 2% (\$40.00 per cwt vs. \$41.00 per cwt). Historical hog cost review (average cost per hundredweight):

<u>Fiscal Year</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Average</u>
<b>2008</b>	<b>\$42.00</b>	<b>\$40.00</b>			<b>\$41.00</b>
2007	\$37.00	\$41.00	\$39.00	\$36.00	\$38.00
2006	\$48.00	\$46.00	\$43.00	\$37.00	\$43.00
2005	\$52.00	\$50.00	\$52.00	\$49.00	\$51.00

- Comparable pounds sold review (principally sausage products and refrigerated potatoes):

<u>Fiscal Year</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Average</u>
<b>2008</b>	<b>4%</b>	<b>2%</b>			<b>3%</b>
2007	13%	11%	4%	5%	8%
2006	6%	10%	12%	11%	10%
2005	1%	4%	8%	8%*	5%*

\* Excludes the impact of the extra week (53-week year) in the fourth quarter of 2004.

- Net sales review (dollars in thousands):

	<u>Q2</u> <u>2008</u>	<u>Q2</u> <u>2007</u>
Gross sales	\$82,976	\$78,880
Less: promotions	(11,240)	(10,663)
Less: returns and allowances	(1,649)	(1,805)
Net sales	\$70,087	\$66,412

### **Balance Sheet Summary:**

(in thousands)	<u>Oct. 26, 2007</u>	<u>April 27, 2007</u>
Cash and equivalents	\$ 10,557	\$ 29,287
Assets held for sale	1,981	13,370
Other current assets	65,225	59,807
Net property, plant and equipment	986,126	957,549
Goodwill and other intangible assets	113,096	113,506
Other non-current assets	<u>24,639</u>	<u>23,443</u>
Total assets	\$1,201,624	\$1,196,962
Current portion of long-term debt	\$ 26,904	\$ 34,000
Line of credit	84,836	0
Other current liabilities	169,039	167,183
Long-term debt	133,096	172,333
Other long-term liabilities	122,523	118,215
Stockholders' equity	<u>665,226</u>	<u>705,231</u>
Total liabilities and equity	\$1,201,624	\$1,196,962

### **SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

Certain statements in this report that are not historical facts are forward-looking statements. Forward-looking statements involve various important assumptions, risks and uncertainties. Actual results may differ materially from those predicted by the forward-looking statements because of various factors and possible events, including, without limitation:

- the failure to achieve and maintain positive same-store sales;
- a decline in general economic conditions;
- competition in the restaurant and food products industries;
- the company's ability to expand its restaurant base;
- consumer acceptance of changes in menu, food products, prices, atmosphere and service procedures;
- the company's ability to hire and retain a sufficient number of qualified employees;
- market concentration;
- adverse weather conditions;
- government regulation;
- allegations related to food-related illnesses and health concerns regarding certain food products;
- margin sensitivity;
- consumer acceptance of the company's restaurant concepts and food products in new markets;
- fluctuations in quarterly operating results;
- the adequacy of insurance loss estimates and reserves; and
- protection of our trademarks and other intellectual property rights.

These risks are discussed more fully under the heading "Risk Factors" in Item 1A of the company's Annual Report on Form 10-K for the fiscal year ended April 27, 2007. It is impossible to predict or identify all such risk factors. Consequently, no one should consider any such list to be a complete set of all potential risks and uncertainties. There is also the risk that the company may incorrectly analyze these risks or that the strategies developed by the company to address them will be unsuccessful. Forward-looking statements speak only as of the date on which they are made, and the company undertakes no obligation to update any forward-looking statement to reflect circumstances or events that occur after the date on which the statement is made to reflect unanticipated events. Any further disclosures in the company's filings with the Securities and Exchange Commission should also be consulted. All subsequent written and oral forward-looking statements attributable to the company or any person acting on behalf of the company are qualified by the cautionary statements in this section.