

Bob Evans Farms, Inc.
Earnings Release Fact Sheet (unaudited)
Fiscal 2007 – Quarter 3

Third quarter (Q3), ended January 26, 2007, compared to the corresponding period a year ago:

Note: amounts are in thousands, except per share amounts

	<u>Consolidated Results</u>				<u>Restaurant</u>		<u>Food Products</u>	
	Q3 2007*	% of sales	Q3 2006*	% of sales*	Q3 2007*	Q3 2006*	Q3 2007	Q3 2006
Net sales	\$419,941		\$399,478		\$347,108	\$329,066	\$72,833	\$70,412
Cost of sales	124,043	29.5%	121,287	30.4%	24.8%	25.3%	52.1%	53.9%
Operating wages	148,546	35.4%	142,404	35.6%	40.4%	40.9%	11.3%	11.2%
Other operating	65,922	15.7%	64,232	16.1%	18.0%	18.5%	4.7%	5.2%
S,G & A	33,354	8.0%	29,801	7.5%	5.4%	4.8%	20.0%	19.8%
Depr. & amort.	<u>18,650</u>	<u>4.4%</u>	<u>18,142</u>	<u>4.5%</u>	<u>4.8%</u>	<u>4.9%</u>	<u>2.8%</u>	<u>2.7%</u>
Operating income	29,426	7.0%	23,612	5.9%	6.6%	5.6%	9.1%	7.2%
Interest	<u>2,114</u>	<u>0.5%</u>	<u>2,771</u>	<u>0.7%</u>				
Pre-tax income	27,312	6.5%	20,841	5.2%				
Income taxes	<u>8,609</u>	<u>2.0%</u>	<u>6,867</u>	<u>1.7%</u>				
Net income	\$18,703	4.5%	\$13,974	3.5%				
EPS – basic	\$0.52		\$0.39					
EPS – diluted	\$0.51		\$0.39					
Dividends per share	\$0.14		\$0.12					
Weighted average shares outstanding:								
Basic	36,306		35,825					
Dilutive stock options	<u>403</u>		<u>160</u>					
Diluted	36,709		35,985					
Shares outstanding at quarter end	35,766		35,834					

- Income taxes, as a percentage of pre-tax income, were 31.5% vs. 32.9%

* Consolidated and restaurant results for the third quarters of both fiscal 2007 and fiscal 2006 include special items: A pre-tax gain on asset disposals of \$890 in fiscal 2007 and a \$1,144 net pre-tax gain in fiscal 2006 comprised of a \$1,772 pre-tax gain on asset disposals and a \$628 charge related to the closing of 8 Owens Restaurants.

Excluding the special items, results would have been as follows:

- Consolidated cost of sales: \$121,149 (30.4% of sales) in FY 06
- Restaurant cost of sales: 25.3% of sales in FY 06
- Consolidated operating wages: \$141,914 (35.5% of sales) in FY 06
- Restaurant operating wages: 40.7% of sales in FY 06
- Consolidated S,G,&A: \$34,244 (8.2% of sales) in FY 07 and \$31,573 (7.9% of sales) in FY 06
- Restaurant S,G,&A: 5.7% of sales in FY 07 and 5.3% of sales in FY 06
- Consolidated operating income: \$28,536 (6.8% of sales) in FY 07 and \$22,468 (5.6% of sales) in FY 06
- Restaurant operating income: 6.3% of sales in FY 07 and 5.3% of sales in FY 06
- Net income: \$18,093 (4.3% of sales) in FY 07 and \$13,206 (3.3% of sales) in FY 06
- EPS: \$0.50 (basic) and \$0.49 (diluted) in FY 07 and \$0.37 (basic and diluted) in FY 06

Consolidated Review:

- Net sales increased 5.1% (\$419.9 million vs. \$399.5 million).
- Operating income increased 24.6% (\$29.4 million vs. \$23.6 million).
- Excluding the special items in both periods, operating income increased 27.0% (\$28.5 million vs. \$22.5 million).
- Pre-tax income increased 31.0% (\$27.3 million vs. \$20.8 million).
- Excluding the special items in both periods, pre-tax income increased 34.1% (\$26.4 million vs. \$19.7 million).
- Effective tax rate was 31.5% compared to 32.9%.
- Net income increased 33.8% (\$18.7 million vs. \$14.0 million).
- Excluding the special items in both periods, net income increased 37.0% (\$18.1 million vs. \$13.2 million).
- Diluted EPS was \$0.51 compared to \$0.39.
- Excluding the special items in both periods, diluted EPS was \$0.49 vs. \$0.37.
- Repurchased approximately 1.0 million shares in the quarter (1.2 million year-to-date).

The company adopted SFAS 123(R), which requires the expensing of stock options, in 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:

	In thousands	
	Q3 <u>Actual</u> *	FY 07 <u>Estimated</u>
Stock options	\$ 521	\$2,220
New plan (excluding options)	<u>557</u>	<u>3,474</u>
Total	\$1,078	\$5,694

* Expense is reflected in S, G & A: \$510 in the restaurant segment and \$568 in the food products segment.

Restaurant Review:

- Overall restaurant sales increased 5.5% (\$347.1 million vs. \$329.1 million).
 - Nominal same-store sales increased 2.1% at Bob Evans Restaurants and 2.6% at Mimi's.
 - Operating income increased 23.1% (\$22.8 million vs. \$18.5 million).
 - Excluding the special items in both periods, operating income increased 26.0% (\$21.9 million vs. \$17.4 million).
 - Operating margin was 6.6% compared to 5.6%.
 - Excluding the special items in both periods, the operating margin was 6.3% compared to 5.3%.
 - Restaurants in operation at quarter end were: 589 Bob Evans Restaurants and 108 Mimi's. 582 Bob Evans Restaurants and 96 Mimi's were in operation a year ago.
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- 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>
2007	587	4	1	3	2e	10e	6	591e
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
2002	469	1	4	8	14	27	1	495

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>
2007	102	2	1	3	7e	13e	0	115e
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>
2007	689	6	2	6	9e	23e	6	706e
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>
2007	1	1	1	1e	4e
2006	6	4	3	1	14
2005	3	5	0	2	10

- Bob Evans Restaurants same-store sales analysis (24-month core; 506 restaurants):

	<u>Fiscal 2007</u>			<u>Fiscal 2006</u>			<u>Fiscal 2005</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	(1.2)	3.1	(4.3)	(2.4)	(1.5)	(0.9)	(4.7)	2.4	(7.1)
June	(4.1)	3.0	(7.1)	(3.1)	0.5	(3.6)	(2.8)	2.4	(5.2)
July	<u>(5.6)</u>	<u>3.0</u>	<u>(8.6)</u>	<u>(0.7)</u>	<u>0.5</u>	<u>(1.2)</u>	<u>(2.0)</u>	<u>2.4</u>	<u>(4.4)</u>
Q1	(3.9)	3.0	(6.9)	(1.9)	(0.1)	(1.8)	(3.1)	2.4	(5.5)
August	(4.2)	3.0	(7.2)	(1.5)	0.5	(2.0)	(4.6)	2.4	(7.0)
September	5.0	2.4	2.6	(4.4)	1.0	(5.4)	(4.6)	2.3	(6.9)
October	<u>3.0</u>	<u>2.4</u>	<u>0.6</u>	<u>(3.5)</u>	<u>1.5</u>	<u>(5.0)</u>	<u>(3.5)</u>	<u>2.0</u>	<u>(5.5)</u>
Q2	1.3	2.6	(1.3)	(3.1)	1.0	(4.1)	(4.2)	2.2	(6.4)
November	0.6	1.9	(1.3)	(2.2)	2.0	(4.2)	(1.3)	1.9	(3.2)
December	3.3	1.3	2.0	(2.2)	2.6	(4.8)	(4.9)	1.8	(6.7)
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>	<u>(5.4)</u>	<u>1.8</u>	<u>(7.2)</u>
Q3	2.1	1.8	0.3	(0.4)	2.4	(2.8)	(3.9)	1.8	(5.7)
February				(1.5)	2.6	(4.1)	0.8	(0.1)	0.9
March				(0.5)	2.6	(3.1)	(4.3)	(0.1)	(4.2)
April				<u>(0.6)</u>	<u>3.2</u>	<u>(3.8)</u>	<u>(5.8)*</u>	<u>(1.5)*</u>	<u>(4.3)*</u>
Q4				(0.9)	2.8	(3.7)	(3.4)*	(0.6)*	(2.8)*
Fiscal year				(1.6)	1.5	(3.1)	(3.6)*	1.5*	(5.1)*

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

- Mimi's Cafe same-store sales analysis (24-month core; 81 restaurants):

	<u>Fiscal 2007</u>			<u>Fiscal 2006</u>			<u>Fiscal 2005</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	0.3	2.5	(2.2)	4.8	2.6	2.2			
June	(1.0)	2.5	(3.5)	3.0	2.6	0.4			
July	<u>1.9</u>	<u>2.6</u>	<u>(0.7)</u>	<u>1.6</u>	<u>2.0</u>	<u>(0.4)</u>	<u>3.3*</u>	<u>3.7*</u>	<u>(0.4)*</u>
Q1	0.4	2.5	(2.1)	3.0	2.3	0.7	3.3*	3.7*	(0.4)*
August	0.5	2.6	(2.1)	3.8	1.3	2.5	2.9	4.3	(1.4)
September	3.3	2.4	0.9	0.1	1.3	(1.2)	5.4	4.1	1.3
October	<u>2.2</u>	<u>2.7</u>	<u>(0.5)</u>	<u>1.4</u>	<u>1.6</u>	<u>(0.2)</u>	<u>4.8</u>	<u>3.4</u>	<u>1.4</u>
Q2	2.0	2.6	(0.6)	1.8	1.5	0.3	4.4	3.9	0.5
November	2.2	2.9	(0.7)	(0.5)	2.3	(2.8)	4.7	2.8	1.9
December	2.7	3.4	(0.7)	(0.3)	2.3	(2.6)	4.0	2.8	1.2
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>	<u>3.0</u>	<u>2.8</u>	<u>0.2</u>
Q3	2.6	3.6	(1.0)	0.4	2.3	(1.9)	3.9	2.8	1.1
February				0.2	2.4	(2.2)	4.9	2.7	2.2
March				1.3	2.4	(1.1)	5.5	2.7	2.8
April				<u>1.8</u>	<u>2.4</u>	<u>(0.6)</u>	<u>4.9</u>	<u>2.4</u>	<u>2.5</u>
Q4				1.1	2.4	(1.3)	5.1	2.6	2.5
Fiscal year				1.6	2.2	(0.6)	4.4*	3.1*	1.3*

* For the period after July 7, 2004, only

- Key restaurant sales data (core restaurants only):

	<u>Bob Evans Restaurants</u>	<u>Mimi's</u>
Average annual store sales (\$) – FY06	\$1,741,000	\$3,462,000
Q3 FY07 day part mix (%):		
Breakfast	32%	20%
Lunch	38%	40%
Dinner	30%	40%
Q3 FY07 check average (\$)	\$7.49	\$10.73

- Quarterly restaurant sales by concept:

	<u>Q3 2007</u>
Bob Evans Restaurants	\$252,414,000
Mimi's Cafes	94,694,000
Total	\$347,108,000

Food Products Review:

- Net sales increased 3.4% (\$72.8 million vs. \$70.4 million).
- Comparable pounds sold increased 4%.
- Operating income increased 30.3% (\$6.6 million vs. \$5.1 million).
- Operating margin was 9.1% compared to 7.2%.
- Average hog cost decreased 9% (\$39.00 per cwt vs. \$43.00 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>
2007	\$37.00	\$41.00	\$39.00		\$39.00
2006	\$48.00	\$46.00	\$43.00	\$37.00	\$43.00
2005	\$52.00	\$50.00	\$52.00	\$49.00	\$51.00
2004	\$36.00	\$38.00	\$35.00	\$43.00	\$38.00

- 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>
2007	13%	11%	4%		9%
2006	6%	10%	12%	11%	10%
2005	1%	4%	8%	8%*	5%*
2004	10%	4%	7%	10%*	8%*

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

- Net sales review:

	<u>Q3</u>	<u>Q3</u>
	<u>2007</u>	<u>2006</u>
Gross sales	\$88,601	\$85,663
Less: promotions	(14,248)	(13,328)
Less: returns and allowances	<u>(1,520)</u>	<u>(1,923)</u>
Net sales	\$72,833	\$70,412

Balance Sheet Summary:

(in thousands)	<u>Jan. 26, 2007</u>	<u>April 28, 2006</u>
Cash and equivalents	\$ 40,174	\$ 16,727
Assets held for sale	2,542	5,337
Other current assets	66,643	60,338
Net property, plant and equipment	966,626	967,717
Goodwill and other intangible assets	113,711	114,326
Other non-current assets	<u>46,641</u>	<u>44,738</u>
Total assets	\$1,236,337	\$1,209,183
Current portion of long-term debt	\$ 34,000	\$ 4,000
Other current liabilities	167,666	155,485
Long-term debt	173,333	206,333
Other long-term liabilities	144,198	138,909
Stockholders' equity	<u>717,140</u>	<u>704,456</u>
Total liabilities and equity	\$1,236,337	\$1,209,183

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 28, 2006. 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.