

Bob Evans Farms, Inc.
Earnings Release Fact Sheet (unaudited)
Fiscal 2008 – Quarter 3

Note: amounts are in thousands, except per share amounts

Third quarter (Q3), ended January 25, 2008, compared to the corresponding period a year ago:

| | <u>Consolidated Results</u> | | | | <u>Restaurant</u> | | <u>Food Products</u> | |
|--------------------------------------|-----------------------------|-----------------------|--------------------|-----------------------|--------------------|--------------------|----------------------|--------------------|
| | <u>Q3 2008</u> | <u>% of sales</u> | <u>Q3 2007</u> | <u>% of sales</u> | <u>Q3 2008</u> | <u>Q3 2007</u> | <u>Q3 2008</u> | <u>Q3 2007</u> |
| Net sales | \$449,702 | | \$419,941 | | \$367,600 | \$347,108 | \$82,102 | \$72,833 |
| Cost of sales | 134,934 | 30.0% | 124,043 | 29.5% | 25.4% | 24.8% | 50.6% | 52.1% |
| Operating wages | 150,506 | 33.5% | 148,546 | 35.4% | 38.6% | 40.4% | 10.7% | 11.3% |
| Other operating | 71,091 | 15.8% | 65,922 | 15.7% | 18.3% | 18.0% | 4.5% | 4.7% |
| S,G & A | 41,086 | 9.1% | 33,354 | 8.0% | 6.9% | 5.4% | 19.0% | 20.0% |
| Depr. & amort. | <u>19,353</u> | <u>4.3%</u> | <u>18,650</u> | <u>4.4%</u> | <u>4.7%</u> | <u>4.8%</u> | <u>2.5%</u> | <u>2.8%</u> |
| Operating income | 32,732 | 7.3% | 29,426 | 7.0% | 6.1% | 6.6% | 12.7% | 9.1% |
| Interest | <u>3,007</u> | <u>0.7%</u> | <u>2,114</u> | <u>0.5%</u> | | | | |
| Pre-tax income | 29,725 | 6.6% | 27,312 | 6.5% | | | | |
| Income taxes | <u>9,720</u> | <u>2.2%</u> | <u>8,609</u> | <u>2.0%</u> | | | | |
| Net income | \$20,005 | 4.4% | \$18,703 | 4.5% | | | | |
| EPS – basic | \$0.62 | | \$0.52 | | | | | |
| EPS – diluted | \$0.61 | | \$0.51 | | | | | |
| Dividends paid per share | \$0.14 | | \$0.14 | | | | | |
| Weighted average shares outstanding: | | | | | | | | |
| Basic | 32,468 | | 36,306 | | | | | |
| Dilutive stock options | <u>142</u> | | <u>403</u> | | | | | |
| Diluted | 32,610 | | 36,709 | | | | | |
| Shares outstanding at quarter end | 31,173 | | 35,766 | | | | | |

- Income taxes, as a percentage of pre-tax income, were 32.7% vs. 31.5%

Consolidated Review:

- Net sales increased 7.1% (\$449.7 million vs. \$419.9 million).
- Operating income increased 11.2% (\$32.7 million vs. \$29.4 million).
- Pre-tax income increased 8.8% (\$29.7 million vs. \$27.3 million).
- Effective tax rate was 32.7% compared to 31.5%.
- Net income increased 7.0% (\$20.0 million vs. \$18.7 million).
- Diluted EPS was \$0.61 vs. \$0.51.
- Repurchased approximately 2.3 million shares in the quarter (approximately 4.4 million shares ytd).
- The third quarter results include the impact of the following (dollars in thousands):
 - Consolidated and restaurant results for the third quarter of fiscal 2008 included a pre-tax gain of \$6,600 for unredeemed gift certificates and gift cards (known as “breakage”), which is reflected in net sales.
 - Consolidated and restaurant results for the third quarter of fiscal 2008 included a pre-tax charge of \$3,659 related to the closing of nine underperforming restaurants. The charge is reflected in S,G&A.
 - Consolidated and restaurant results for the third quarter of fiscal 2008 included a pre-tax charge of \$669 related to a dispute settlement and is reflected in S,G&A.
 - Consolidated and restaurant results for the third quarters of fiscal 2008 and 2007 included net pre-tax gains of \$77 and \$890, respectively, on asset disposals that is reflected in S,G&A.
 - 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)

| | Q3 FY 08 <u>Actual *</u> | Q3 FY 07 <u>Actual *</u> | Total FY 08 <u>Estimated</u> | Total FY 07 <u>Actual</u> |
|------------------------------|-----------------------------|-----------------------------|---------------------------------|------------------------------|
| Stock options | \$ 126 | \$ 521 | \$ 811 | \$2,257 |
| New plan (excluding options) | <u>655</u> | <u>557</u> | <u>5,470</u> | <u>3,428</u> |
| Total | \$ 781 | \$1,078 | \$6,281 | \$5,685 |

- Expense is reflected in S, G & A: \$585 and \$510 in 2008 and 2007, respectively, in the restaurant segment and \$196 and \$568 in 2008 and 2007, respectively, in the food products segment.

Restaurant Review:

- Overall restaurant sales increased 5.9% (\$367.6 million vs. \$347.1 million).
- Nominal same-store sales increased 1.5% at Bob Evans Restaurants and decreased 2.0% at Mimi's.
- Operating income decreased 1.9% (\$22.3 million vs. \$22.8 million).
- Operating margin was 6.1% compared to 6.6%.
- Restaurants in operation at quarter end were: 580 Bob Evans Restaurants and 126 Mimi's. 589 Bob Evans Restaurants and 108 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> |
|--------------------|------------------------|-----------|-----------|-----------|-----------|------------------|-----------------|---------------------|
| 2008 | 579 | 0 | 0 | 1 | 1e | 2e | 9 | 572e |
| 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> |
|--------------------|------------------------|-----------|-----------|-----------|-----------|------------------|-----------------|---------------------|
| 2008 | 115 | 1 | 2 | 8 | 6e | 17e | 0 | 132e |
| 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> |
|--------------------|------------------------|-----------|-----------|-----------|-----------|------------------|-----------------|---------------------|
| 2008 | 694 | 1 | 2 | 9 | 7e | 19e | 9 | 704e |
| 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> |
|--------------------|-----------|-----------|-----------|-----------|------------------|
| 2008 | 2 | 2 | 1 | 3e | 8e |
| 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; 537 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 | 2.1 | 2.8 | (0.7) | 0.6 | 1.9 | (1.3) | (2.2) | 2.0 | (4.2) |
| December | 1.1 | 3.2 | (2.1) | 3.3 | 1.3 | 2.0 | (2.2) | 2.6 | (4.8) |
| January | <u>1.2</u> | <u>2.3</u> | <u>(1.1)</u> | <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 | 1.5 | 2.8 | (1.3) | 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) |
| Fiscal year | | | | 0.1 | 2.4 | (2.3) | (1.6) | 1.5 | (3.1) |

- 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 | (1.9) | 2.8 | (4.7) | 2.2 | 2.9 | (0.7) | (0.5) | 2.3 | (2.8) |
| December | (1.8) | 2.8 | (4.6) | 2.7 | 3.4 | (0.7) | (0.3) | 2.3 | (2.6) |
| January | <u>(2.4)</u> | <u>2.2</u> | <u>(4.6)</u> | <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 | (2.0) | 2.6 | (4.6) | 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) |
| Fiscal year | | | | 1.6 | 3.4 | (1.8) | 1.6 | 2.2 | (0.6) |

- 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 |
| Q3 FY08 day part mix (%): | | |
| Breakfast | 32% | 20% |
| Lunch | 38% | 41% |
| Dinner | 30% | 39% |
| Q3 FY08 check average (\$) | \$7.77 | \$10.75 |

- Quarterly restaurant sales by concept:

| <u>Q3 2008</u> | |
|-----------------------|--------------------|
| Bob Evans Restaurants | \$260,934,000 |
| Mimi's Cafes | <u>106,666,000</u> |
| | \$367,600,000 |

Total

Food Products Review:

- Net sales increased 12.7% (\$82.1 million vs. \$72.8 million).
- Comparable pounds sold increased 8%.
- Operating income increased 56.4% (\$10.4 million vs. \$6.6 million).
- Operating margin was 12.7% compared to 9.1%.
- Average hog cost decreased 20% (\$31.00 per cwt vs. \$39.00 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> |
|--------------------|----------------|----------------|----------------|-----------|----------------|
| 2008 | \$42.00 | \$40.00 | \$31.00 | | \$37.00 |
| 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> |
|--------------------|-----------|-----------|-----------|-----------|----------------|
| 2008 | 4% | 2% | 8% | | 5% |
| 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>Q3</u> <u>2008</u> | <u>Q3</u> <u>2007</u> |
|------------------------------|--------------------------|--------------------------|
| Gross sales | \$101,119 | \$88,601 |
| Less: promotions | (17,408) | (14,248) |
| Less: returns and allowances | (1,609) | (1,520) |
| Net sales | \$82,102 | \$72,833 |

Balance Sheet Summary:

| (in thousands) | <u>Jan. 25, 2008</u> | <u>April 27, 2007</u> |
|--------------------------------------|----------------------|-----------------------|
| Cash and equivalents | \$ 6,071 | \$ 29,287 |
| Assets held for sale | 2,773 | 8,260 |
| Other current assets | 63,356 | 59,807 |
| Net property, plant and equipment | 996,512 | 962,659 |
| Goodwill and other intangible assets | 112,891 | 113,506 |
| Other non-current assets | <u>24,673</u> | <u>23,443</u> |
| Total assets | \$1,206,276 | \$1,196,962 |
| Current portion of long-term debt | \$ 26,904 | \$ 34,000 |
| Line of credit | 134,335 | 0 |
| Other current liabilities | 173,454 | 167,183 |
| Long-term debt | 133,096 | 172,333 |
| Other long-term liabilities | 122,416 | 118,215 |
| Stockholders' equity | <u>616,071</u> | <u>705,231</u> |
| Total liabilities and equity | \$1,206,276 | \$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:

- Negative publicity or litigation regarding allegations of food-related illness,
- Failure to achieve and maintain positive same-store sales,
- Changing business and/or economic conditions, including energy costs,
- Overall macroeconomic conditions that may affect consumer spending, either nationwide or in one or more of the Company's major markets,
- Competition in the restaurant and food products industries,
- Ability to control restaurant operating costs, which are impacted by market changes in the cost or availability of labor and food, minimum wage and other employment laws, fuel and utility costs,
- Changes in the cost or availability of acceptable new restaurant sites,
- Accurately assessing the value, future growth potential, strengths, weaknesses, contingent and other liabilities and potential profitability of Mimi's,
- Adverse weather conditions in locations where we operate our restaurants,
- Consumer acceptance of changes in menu offerings, price, atmosphere and/or service procedures,
- Consumer acceptance of our restaurant concepts in new geographic areas, and
- Changes in hog and other commodity costs.

We also bear the risk of incorrectly analyzing these risks or developing strategies to address them that prove to be unsuccessful.

Certain risks, uncertainties and assumptions are discussed under the heading "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended April 27, 2007. We note these factors for investors as contemplated by the Private Securities Litigation Reform Act of 1995. It is impossible to predict or identify all such risk factors. Consequently, you should not consider any such list to be a complete set of all potential risks and uncertainties. Forward-looking statements speak only as of the date on which they are made, and we undertake 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 our filings with the Securities and Exchange Commission should also be consulted. All subsequent written and oral forward-looking statements attributable to us or any person acting on behalf of the company are qualified by the cautionary statements in this section.