

BUSINESS

PAGE 6 THE ROANOKE TIMES TUESDAY, JANUARY 29, 2008

McDonald's flat sales hit stock price

CHICAGO — McDonald's Corp. showed its first sign of vulnerability to the U.S. economic slowdown Monday and uneasy investors responded by selling off the fast-food chain's stock despite its booming international sales and \$1.27 billion profit.

The company said sales were flat last month at U.S. restaurants open more than a year, acknowledging "softer consumer spending" as Americans tightened their wallets in a volatile economy. That snapped a streak of 56 consecutive months of higher year-over-year U.S. comparable sales.

— Associated Press

THE TICKER

FROM STAFF & WIRE REPORTS

CONSUMER WATCH

Group: People 'duped' by financial scams

Consumer watchdogs are concerned about a rise in a scam to coax bank numbers and other financial information out of unsuspecting consumers.

It begins with a call, e-mail or text message asking the consumer to call his or her bank or credit card issuer to address an urgent concern, such as a security breach, an announcement by the National White Collar Crime Center said. An automated answering machine asks for

Optical Cable chief anticipates 'strong' performance

The Roanoke County employer saw profits increase for fiscal year 2007.

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One analyst expressed surprise when the characteristically cautious Neil Wilkin, president and chief executive officer of Optical Cable Corp., uttered the word "strong."

Wilkin said during a conference call Monday that he anticipates earnings for the company's first quarter will be just that.

Kevin Wenck, an analyst for Polynous Capital Management, quipped that for a "conservative person" such as Wilkin, the CEO's comparatively enthusiastic prediction of a good quarter was noteworthy.

"I'm getting pretty excited about [the use of] 'strong' here," Wenck said.

Also strong, said Wilkin, was the company's financial performance for

the 2007 fiscal year.

Optical Cable, a Roanoke County-based manufacturer of durable fiber-optic cable, released earning figures Monday for its fourth quarter and fiscal year 2007. The company has about 200 employees.

For both periods, ended Oct. 31, sales, profit margins and profits increased when compared with the same time frames in fiscal 2006.

Optical Cable's 2007 profit increased to \$1.3 million, or 21 cents per share, from \$351,000, or 6 cents per share in 2006, even though sales

for fiscal 2007 were essentially flat.

Wilkin said a number of factors boosted the company's performance and profit.

They included, he said, more efficient production and other gains provided by an enterprise resource planning system. Like many other companies, implementing the system was not without challenges, and related issues depressed company earnings in 2006, Wilkin said.

Also, during a time of a weak dollar,

See OPTICAL, 5

79
39
0 %
CHG
+31.5
+31.3
+29.0
+28.5
+28.1
+27.8
+26.4
+25.3
+25.0
+22.7
+22.2
+22.2
+20.4
+20.3
+19.8
CHG
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-21.20
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-18.70
-18.30
-17.80
-16.90
-16.80
-16.70
-15.80
-15.10
-14.70
-14.10
-13.90

OPTICAL: Company lands new contract

FROM 6

Optical Cable's sales outside the United States increased 22.7 percent to \$12.9 million in fiscal 2007, compared with \$10.5 million during the same period in 2006.

Still, the company's stock price remains low, in Wilkin's opinion. It closed at \$3.83 Monday, down 3 cents.

In August 2006, Optical Cable's board of directors rejected an offer by Superior Essex Inc. to buy the company for \$6 per share in cash.

On Monday, Wilkin said there could always be other prospective suitors.

"I think they exist," he said, but added that Optical Cable

was worth more than \$6 per share in 2006 and still is.

He said that if Optical Cable reports good results every quarter, the stock price should rise and better reflect the company's value — a scenario he has predicted before.

Late last week, Optical Cable announced it had landed a new, five-year contract with the Army to supply military tactical fiber-optic cable and related connectors.

The contract, worth up to \$2.6 million, is in addition to an existing contract, worth up to \$4.6 million, for the tactical assemblies.

Wilkin said he remains bullish about Optical Cable's future.

Former Staples executive sentenced

BOSTON — A former vice president of Staples Inc. was sentenced Monday to 3½ years in prison for embezzling nearly \$600,000 from the office products company.

James Dorman, formerly of Westborough, will also have to pay \$585,000 in restitution to Staples.

The former marketing executive pleaded guilty to mail fraud, wire fraud and money laundering charges for submitting invoices for non-existent vendors and misusing corporate travel funds to pay

for personal travel for himself and three women.

Prosecutors said Dorman met two of the women while they were working at strip clubs in Dallas and used his corporate American Express card to buy them diamond jewelry and an all-expenses-paid trip to the Grammy Awards in Los Angeles.

Dorman, 40, was fired from Staples in 2005 after the company became aware of the embezzlement.

— Associated Press

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