





Safe Harbor Concerning Forward Looking Statements

Matters discussed in this presentation that relate to events or developments which are expected to occur in the future, including any discussion, expressed or implied, of anticipated growth, new store openings, operating results or earnings constitute forward-looking statements. Forward-looking statements are based on management's beliefs, assumptions and expectations of our future economic performance, taking into account the information currently available to management. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results, performance or financial condition to differ materially from the expectations of future results, performance or financial condition we express or imply in any forward-looking statements. Factors that could contribute to these differences include, but are not limited to:

- the cost of our principal food products and supply and delivery shortages and interruptions;
- labor shortages or increased labor costs;
- changes in demographic trends and consumer tastes and preferences, including changes resulting from concerns over nutritional or safety aspects of beef, poultry, or other foods or the effects of food-borne illnesses;
- expansion into new markets including foreign markets
- our ability to locate suitable restaurant sites in new and existing markets and negotiate acceptable lease terms
- competition in our markets, both in our business and in locating suitable restaurant sites;
- our operation and execution in new and existing markets;
- our ability to recruit, train and retain qualified corporate and restaurant personnel and management;
- cost effective and timely planning, design and build out of restaurants
- our ability to attract and retain qualified franchisees
- our ability to generate positive cash flow from existing and new restaurants;
- the rate of our internal growth and our ability to generate increased revenue from our existing restaurants
- the reliability of our customer and market studies
- fluctuations in our quarterly results due to seasonality;
- increased government regulation and our ability to secure required government approvals and permits
- our ability to create customer awareness of our restaurants in new markets;
- market saturation due to new restaurant openings;
- inadequate protection of our intellectual property;
- adverse weather conditions which impact customer traffic at our restaurants; and
- adverse economic conditions.

The words "believe," "may," "will," "should," "anticipate," "estimate," "expect," "intend," "objective," "seek," "plan," "strive" or similar words, or the negatives of these words, identify forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors.



Fiscal 2011 Teleconference Agenda

- Introductory Comments
- Financial Results
 - Slide 4 – Restaurant Margin Performance Q4
 - Slide 5 – Reconciliation of Non-GAAP Measures To Net Income Q4
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- Questions and Answers



Restaurant Margin Performance – Q4

U.S. Dollars in Thousands ⁽¹⁾

	14 Weeks Ended January 2, 2012		13 Weeks Ended December 27, 2010		Margin Change ⁽¹⁾
Restaurant Net Sales	\$ 25,334	100.0%	\$ 24,632	100.0%	---
Comp Sales % ⁽²⁾	0.9%		6.1%		
Cost of Food and Beverage	\$ 5,889	23.2%	\$ 5,636	22.9%	30 Basis Points Increase
Gross Profit	\$ 19,445	76.8%	\$ 18,996	77.1%	30 Basis Points Decrease
Labor and Related Benefits	\$ 9,354	36.9%	\$ 9,182	37.3%	40 Basis Points Decrease
Other Operating Expenses	\$ 3,145	12.4%	2,980	12.1%	30 Basis Points Increase
Controllable Contribution	\$ 6,946	27.5%	\$ 6,834	27.7%	20 Basis Points Decrease
Occupancy Costs	\$ 4,732	18.7%	4,992	20.3%	160 basis Points Decrease
Restaurant Cash Flow	\$ 2,214	8.8%	\$ 1,842	7.4%	140 Basis Points Increase

⁽¹⁾ Due to Rounding, some percentages might not foot.

⁽²⁾ As reported in public filings - assumes 13 week quarter



Reconciliation of Non-GAAP Measures To Net Income

	<u>14 Weeks Ended</u> <u>January 2, 2012</u>	<u>13 Weeks Ended</u> <u>December 27, 2010</u>
Restaurant Net Sales	\$ 25,334	\$ 24,632
Cost of Food and Beverage	\$ 5,889	\$ 5,636
Labor and Related Benefits	\$ 9,354	\$ 9,182
Occupancy and Other Operating Expenses	\$ 7,877	\$ 7,972
Restaurant Cash Flow	<u>\$ 2,214</u>	<u>\$ 1,842</u>
Franchise Fees and Royalties	\$ 859	\$ 723
General and Administrative Expenses	\$ 4,065	\$ 3,584
Depreciation and Amortization	\$ 1,050	\$ 1,101
Provision for Asset Impairments and Disposals	\$ 232	\$ 511
Lease Termination Expense and Closed Store Costs	\$ 13	\$ 92
Gain on Sale of Assets	<u>\$ -</u>	<u>\$ 61</u>
Operating Loss	\$ (2,287)	\$ (2,784)
Interest Income, net	\$ -	-
Other Income, net	<u>13</u>	<u>\$ -</u>
Net Loss	<u><u>\$ (2,274)</u></u>	<u><u>\$ (2,784)</u></u>
EPS	\$ (0.04)	\$ (0.05)



Restaurant Margin Performance - YTD

U.S. Dollars in Thousands ⁽¹⁾

	53 Weeks Ended January 2, 2012		52 Weeks Ended December 27, 2010		Margin Change ⁽¹⁾
Restaurant Net Sales	\$ 98,920	100.0%	\$ 106,636	100.0%	---
Comp Sales % ⁽²⁾	0.3%		2.6%		
Cost of Food and Beverage	<u>22,902</u>	23.2%	<u>24,366</u>	22.8%	40 Basis Points Increase
Gross Profit	76,018	76.8%	82,270	77.2%	40 Basis Points Decrease
Labor and Related Benefits	36,068	36.5%	40,161	37.7%	120 Basis Points Decrease
Other Operating Expenses	<u>12,008</u>	12.1%	<u>13,096</u>	12.3%	20 Basis Points Decrease
Controllable Contribution	27,942	28.2%	29,013	27.2%	100 Basis Points Increase
Occupancy Costs	<u>19,322</u>	19.6%	<u>20,881</u>	19.6%	No change
Restaurant Cash Flow	<u>\$ 8,620</u>	8.6%	<u>\$ 8,132</u>	7.6%	100 Basis Points Increase

⁽¹⁾ Due to Rounding, some percentages might not foot.

⁽²⁾ As reported in public filings - assumes 52 week year.



Reconciliation of Non-GAAP Measures To Net Income

	<u>53 Weeks Ended January 2, 2012</u>	<u>52 Weeks Ended December 27, 2010</u>
Restaurant Net Sales	\$ 98,920	\$ 106,636
Cost of Food and Beverage	22,902	24,366
Labor and Related Benefits	36,068	40,161
Occupancy and Other Operating Expenses	31,330	33,977
Restaurant Cash Flow	<u>8,620</u>	<u>8,132</u>
Franchise Fees and Royalties	3,215	3,063
General and Administrative Expenses	13,824	13,692
Depreciation and Amortization	4,230	4,773
Restaurant Pre-Opening Expenses	-	-
Provision for Asset Impairments and Disposals	431	732
Lease Termination Expense and Closed Store Costs	83	355
Gain on Sale of Assets	<u>(149)</u>	<u>(5,205)</u>
Operating Loss	(6,584)	(3,152)
Interest Income, net	(1)	(3)
Other Income, net	<u>46</u>	<u>14</u>
Net Loss	<u>\$ (6,539)</u>	<u>\$ (3,141)</u>
EPS	\$ (0.13)	\$ (0.06)