



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.

- Introductory Comments
- Financial Results
 - o Slide 4 – Restaurant Margin Performance Q3
 - o Slide 5 – Reconciliation of Non-GAAP Measures To Net Income Q3
 - o Questions and Answers

Restaurant Margin Performance – Q3

	U.S. Dollars in Thousands ⁽¹⁾						
	13 Weeks Ended September 30, 2013		13 Weeks Ended October 1, 2012		Margin Change ⁽¹⁾		
Restaurant Net Sales	\$	20,602	100.0%	\$	23,620	100.0%	---
Comp Sales % ⁽²⁾		-4.8%			-2.5%		
Cost of Food and Beverage	\$	5,177	25.1%	\$	5,559	23.5%	160 Basis Points Increase
Gross Profit	\$	15,425	74.9%	\$	18,061	76.5%	160 Basis Points Decrease
Labor and Related Benefits	\$	8,172	39.7%	\$	8,547	36.2%	350 Basis Points Increase
Other Operating Expenses	\$	2,944	14.3%	\$	2,810	11.9%	240 Basis Points Increase
Controllable Contribution	\$	4,309	20.9%	\$	6,704	28.4%	750 Basis Points Decrease
Occupancy Costs	\$	4,287	20.8%	\$	4,860	20.6%	20 Basis Points Increase
Restaurant Cash Flow	\$	22	0.1%	\$	1,844	7.8%	770 Basis Points Decrease

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

⁽²⁾ As reported in public filings.

Reconciliation of Non-GAAP Measures To Net Income

	<u>13 Weeks Ended September 30, 2013</u>	<u>13 Weeks Ended October 1, 2012</u>
Restaurant Net Sales	\$ 20,602	\$ 23,620
Cost of Food and Beverage	\$ 5,177	\$ 5,559
Labor and Related Benefits	\$ 8,172	\$ 8,547
Occupancy and Other Operating Expenses	\$ 7,231	\$ 7,670
Restaurant Cash Flow	<u>\$ 22</u>	<u>\$ 1,844</u>
Franchise Fees and Royalties	\$ 810	\$ 739
General and Administrative Expenses	\$ 2,565	\$ 2,986
Depreciation and Amortization	\$ 674	\$ 894
Restaurant Pre-Opening Expenses	\$ 18	\$ -
Provision For Losses On Asset Impairments and Disposals	\$ 5	\$ 10
Lease Termination Expense and Closed Store Costs	<u>\$ 34</u>	<u>\$ 56</u>
Operating Loss	\$ (2,464)	\$ (1,363)
Other Income, net	\$ 9	\$ 9
Net Loss	<u>\$ (2,455)</u>	<u>\$ (1,354)</u>
EPS	\$ (0.14)	\$ (0.08)