

**Cosi, Inc.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
(dollars in thousands, except share and per share data)

	Three Months Ended	
	March 30, 2015	March 31, 2014
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Revenues:		
Restaurant net sales	\$ 17,207	\$ 17,728
Franchise fees and royalties	701	647
Total revenues	<u>17,908</u>	<u>18,375</u>
Costs and expenses:		
Cost of food and beverage	4,844	4,415
Restaurant labor and related benefits	7,097	7,094
Occupancy and other restaurant operating expenses	6,637	7,001
	<u>18,578</u>	<u>18,510</u>
General and administrative expenses	2,617	2,369
Depreciation and amortization	580	639
Closed store costs expense (income)	(39)	2
Lease termination expense (income)	51	(16)
Loss on sale of fixed assets	18	-
Total costs and expenses	<u>21,805</u>	<u>21,504</u>
Operating loss	<u>(3,897)</u>	<u>(3,129)</u>
Other income (expense):		
Interest expense	(256)	-
Debt issuance amortization	(165)	-
Other income	3	3
Total other income	<u>(418)</u>	<u>3</u>
Net loss and comprehensive loss	<u>\$ (4,315)</u>	<u>\$ (3,126)</u>
Per Share Data:		
Loss per share, basic and diluted	<u>\$ (0.12)</u>	<u>\$ (0.17)</u>
Weighted average common shares outstanding	<u>37,199,402</u>	<u>18,054,580</u>

**Cosi, Inc.**  
**Consolidated Balance Sheets**  
(dollars in thousands)

	March 30, 2015	December 29, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,878	\$ 21,053
Credit card receivable	1,424	507
Accounts receivable, net	792	581
Inventories	733	825
Prepaid expenses and other current assets	1,028	1,279
Total Current Assets	17,855	24,245
Notes receivable	551	551
Furniture and fixtures, equipment and leasehold improvements, net	7,935	7,308
Other assets	1,294	1,327
Total Assets	27,635	33,431
 <b>Liabilities and Stockholder's Equity</b>		
Current liabilities:		
Accounts payable	\$ 1,934	\$ 1,519
Accrued expenses	7,318	9,336
Deferred franchise revenue	18	18
Current portion of other long-term liabilities	124	177
Total current liabilities	9,394	11,050
Long-term debt, net	6,831	6,623
Deferred franchise revenue	1,708	1,724
Other liabilities, net of current portion	1,538	1,663
Total Liabilities	19,471	21,060
Stockholder's equity:		
Common stock - \$0.01 par value, 100,000,000 shares authorized, 38,415,925 and 38,410,196 shares issued and outstanding, respectively	383	383
Additional paid-in capital	323,364	323,256
Treasury stock, 59,886 shares at cost	(1,198)	(1,198)
Accumulated deficit	(314,385)	(310,070)
Total stockholder's equity	8,164	12,371
Total liabilities and stockholder's equity	27,635	33,431

*The accompanying notes are an integral part of these consolidated financial statements.*

	Three Months Ended	
	March 30, 2015	March 31, 2014
Revenues:		
Restaurant net sales	96.1% %	96.5 %
Franchise fees and royalties	3.9%	3.5
Total revenue	<u>100.0%</u>	<u>100.0</u>
Cost and expenses:		
Cost of food and beverage (1)	28.2%	24.9
Restaurant labor and related benefits (1)	41.2%	40.0
Occupancy and other restaurant operating expenses (1)	38.6%	39.5
	<u>108.0%</u>	<u>104.4</u>
General and administrative expenses	14.6%	12.9
Provision for losses on asset impairments and disposals	0.0%	-
Depreciation and amortization	3.2%	3.5
Closed store costs (income) expense	-0.2%	-
Lease termination (income) expense	0.3%	(0.1)
Loss on sale of fixed assets	0.1%	-
Total costs and expenses	<u>121.8%</u>	<u>117.0</u>
Operating loss	<u>-21.8%</u>	<u>(17.0)</u>
Other income (expense)		
Interest expense	-1.4%	-
Debt discount amortization	-0.9%	-
Total other income (expense)	<u>-2.3%</u>	<u>-</u>
Net loss and comprehensive loss	<u><u>-24.1% %</u></u>	<u><u>(17.0) %</u></u>

(1) Expressed as a percentage of restaurant net sales versus all other items expressed as a percentage of total revenues.

**For the Three Months Ended**

	<u>March 30, 2015</u>			<u>March 31, 2014</u>	
	<u>Company- Owned</u>	<u>Franchise</u>	<u>Total</u>	<u>Company- Owned</u>	<u>Franchise</u>
Restaurants at beginning of period	64	47	111	70	52
New restaurants opened		2	2		
Franchise-owned converted to Company-owned				2	2
Restaurants permanently closed	1		1		1
<b>Restaurants at end of period</b>	<b><u>63</u></b>	<b><u>49</u></b>	<b><u>112</u></b>	<b><u>72</u></b>	<b><u>49</u></b>

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Total

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