



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 such as E.coli, "mad cow disease" and avian influenza or "bird flu";
- expansion into new markets including foreign countries
- our ability to locate suitable restaurant sites in new and existing markets and negotiate acceptable lease terms
- competition in our markets, both in our existing business and 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 new restaurants
- our ability to attract and retain qualified franchisees and our franchisees' ability to open restaurants on a timely basis
- 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 new and 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;
- Our ability to obtain additional capital and financing
- 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," "project" 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 Q1
 - o Slide 5 – Reconciliation of Non-GAAP Measures To Net Income Q1
 - o Questions and Answers



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Restaurant Margin Performance – Q1

U.S. Dollars in Thousands ⁽¹⁾

	13 Weeks Ended March 28, 2011		13 Weeks Ended March 29, 2010		Margin Change ⁽¹⁾
Restaurant Net Sales	\$ 23,005	100.0%	\$ 27,074	100.0%	---
Comp Sales % ⁽²⁾	3.0%		-4.3%		
Cost of Food and Beverage	\$ 5,296	23.0%	\$ 6,329	23.4%	40 Basis Points Decrease
Gross Profit	\$ 17,709	77.0%	\$ 20,745	76.6%	40 Basis Points Increase
Labor and Related Benefits	\$ 8,742	38.0%	\$ 10,664	39.4%	140 Basis Points Decrease
Other Operating Expenses	\$ 2,769	12.0%	3,374	12.5%	50 Basis Points Decrease
Controllable Contribution	\$ 6,198	27.0%	\$ 6,707	24.7%	230 Basis Points Increase
Occupancy Costs	\$ 4,934	21.5%	\$ 5,670	20.9%	60 Basis Points Increase
Restaurant Cash Flow	\$ 1,264	5.5%	\$ 1,037	3.8%	170 Basis Points Increase

⁽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 March 28, 2011</u>	<u>13 Weeks Ended March 29, 2010</u>
Restaurant Net Sales	\$ 23,005	\$ 27,074
Cost of Food and Beverage	\$ 5,296	\$ 6,329
Labor and Related Benefits	\$ 8,742	\$ 10,664
Occupancy and Other Operating Expenses	\$ 7,703	\$ 9,044
Restaurant Cash Flow	<u>\$ 1,264</u>	<u>\$ 1,037</u>
Franchise Fees and Royalties	\$ 704	\$ 525
General and Administrative Expenses	\$ 3,056	\$ 3,321
Depreciation and Amortization	\$ 1,065	\$ 1,380
Lease Termination Expense and Closed Store Costs	\$ 38	\$ 1
Gain on Sale of Assets	<u>\$ (41)</u>	<u>\$ (87)</u>
Operating Loss	\$ (2,150)	\$ (3,053)
Interest Income, net	\$ -	\$ (1)
Other Income, net	<u>10</u>	<u>-</u>
Net Loss	<u><u>\$ (2,140)</u></u>	<u><u>\$ (3,054)</u></u>
EPS	\$ (0.04)	\$ (0.06)