

GRILL CONCEPTS, INC.

NEWS RELEASE

CONTACTS:

Wayne Lipschitz
Chief Financial Officer
Grill Concepts, Inc.
(818) 251-7070

Angie Yang/Roger Pondel
PondelWilkinson Inc.
(310) 279-5980
investor@pondel.com

GRILL CONCEPTS REPORTS 2009 FOURTH QUARTER FINANCIAL RESULTS

WOODLAND HILLS, Calif. – April 12, 2010 – Grill Concepts, Inc. (Pink Sheets: GLLC), operators of *The Grill on the Alley* and *Daily Grill*-branded restaurants and the *In Short Order – Daily Grill* quick casual concept, today reported financial results for its fiscal fourth quarter and full year ended December 27, 2009.

“2009 proved to be the most difficult operating environment in the history of Grill Concepts, but we successfully managed through the ‘Great Recession’ by minimizing our operating expense structure and securing additional capital that enables us to prepare for growth at a more opportune time when economic indicators demonstrate stable and positive trends,” said Philip Gay, president and chief executive officer. “We believe the actions taken throughout the year ensure our long term sustainability and are cautiously optimistic that the slowed deterioration in sales in the 2009 fourth quarter point to better times ahead.”

Sales at company-owned restaurants for the fiscal 2009 and 2008 fourth quarter and full year and the change in comparable same-store sales are reflected in the table below:

	Three Months Ended		Twelve Months Ended	
	December 27, 2009	December 28, 2008	December 27, 2009	December 28, 2008
<i>(amounts in thousands)</i>				
Revenues:				
Sales	\$ 16,540	\$ 18,192	\$ 64,813	\$ 70,491
Management and license fees	604	1,242	2,110	3,469
Total revenues (net of reimbursed costs)	17,144	19,434	66,923	73,960
Same-store sales				
The Grill on the Alley	(7.8)%	(15.3)%	(18.5)%	(6.4)%
Daily Grill	(8.6)%	(13.9)%	(14.6)%	(7.8)%
Consolidated	(8.3)%	(14.7)%	(15.9)%	(7.1)%

The company’s cost reduction plan resulted in significant declines in core operating expenses versus prior-year periods. General and administrative costs for the fiscal 2009 fourth quarter, net of one time credits totaling \$0.4 million, decreased more than 45.5% to \$1.1 million from \$2.0 million in the same period a year ago and narrowed as a percentage of total revenues (net of reimbursed costs) to 6.3% from 10.2%. Excluding the one time credits, general and administrative costs would have been 8.8% of revenues (net of reimbursed costs) during the fourth quarter of fiscal 2009. However, Grill Concepts posted \$4.6 million in non-core expenses in the 2009 fourth quarter related to losses on impairment and disposal of furniture, equipment and improvements and a loss related to the termination of a joint venture. In the 2008 fourth quarter, the company incurred a \$2.8 million loss on impairment of furniture,

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equipment and improvements. Total operating expenses for the 2009 fiscal fourth quarter, excluding non-core items, amounted to \$16.6 million, down 21.3% from \$21.1 million in the corresponding prior-year period.

In September 2009, the Company modified the conversion terms on its Series C preferred stock from 250 shares of common stock to 3,333 shares of common stock, which resulted in the Company recording deemed dividends of \$4.6 million.

The company's net loss applicable to common stock was \$8.8 million after recording the one-time deemed dividend of \$4.6 million, or \$1.00 per share, for the 2009 fiscal fourth quarter compared to \$4.5 million, or \$0.51 per share, a year earlier. Earnings before interest, taxes, depreciation and amortization, preopening costs, losses related to noncontrolling interests investment in joint ventures, stock based compensation, abandoned projects, impairment of furniture equipment and improvements, restructuring costs and litigation settlement accruals increased to \$2.0 million for the 2009 fiscal fourth quarter from \$623,000 for the same period a year ago.

For the full year, total operating expenses excluding non-core expenses, declined 13.5% to \$70.0 million from \$80.8 million in fiscal 2008. Excluded from the operating expenses are the non-core expenses previously discussed and litigation claim settlement expenses of \$1.1 million during fiscal 2008. Net loss applicable to common stock amounted to \$13.9 million, or \$1.57 per share, for fiscal 2009, including an income tax benefit of \$140,000. For fiscal 2008, net loss applicable to common stock amounted to \$16.7 million, or \$1.90 per share, after an income tax provision of \$5.6 million. As reported a year earlier, the company recorded a full valuation allowance against its net deferred tax assets at September 28, 2008 of \$7.9 million, or \$0.90 per share, resulting in the \$5.6 million net tax provision.

Earnings before interest, taxes, depreciation and amortization, stock based compensation, preopening costs, abandoned projects, loss on disposal and impairment of furniture equipment and improvements, loss on investment in joint venture, litigation claim settlement accruals and net losses attributable to noncontrolling interests equaled \$2.1 million for fiscal 2009 and \$1.6 million for fiscal 2008.

On March 28, 2010, the company relocated its South Bay *Daily Grill* restaurant as one of the final adjustments to its lease and operational structure. Construction of the *Daily Grill on Century* restaurant in the Westin Hotel near LAX airport is near completion, and the company looks forward to the grand opening later this month.

About Grill Concepts, Inc.

Grill Concepts owns, manages and licenses upscale casual and fine dining, full service restaurants under two core brand names: *The Grill on the Alley* and *Daily Grill*; as well as a newly launched quick casual concept named *In Short Order – Daily Grill*. The company operates 29 restaurants including seven *The Grill on the Alley*-branded restaurants in Beverly Hills, Hollywood, San Jose and Westlake Village, California; Chicago, Illinois; Dallas, Texas; and Aventura, Florida; 21 *Daily Grill* restaurants in California; the Washington, D.C. metropolitan region; Houston and Austin, Texas; Portland, Oregon; Seattle, Washington; Boston, Massachusetts; and Tulsa, Oklahoma; as well as one *In Short Order – Daily Grill* in Seattle, Washington.

Non-GAAP Financial Measure

The company believes that Earnings before interest, taxes, depreciation and amortization, stock based compensation, preopening costs, abandoned projects, loss on disposal and impairment of furniture equipment and improvements, loss on investment in joint venture, litigation claim settlement accruals and net losses attributable to noncontrolling interests (“EBITDA”), although a non-GAAP measure, provides greater comparability regarding its ongoing operating performance. However, EBITDA should not be considered an alternative to measurements required by accounting principles generally accepted in the United States (“U.S. GAAP”). A reconciliation of the company’s U.S. GAAP information to EBITDA is provided in the attached table.

This news release contains forward-looking statements, which are based on current operations, plans and expectations. Such statements include, but are not limited to, the company’s plans to refuel its expansion when the economy rebounds. Actual results may differ materially from these statements due to risks and uncertainties beyond the company’s control, which are detailed from time to time in its filings with the Pink OTC Markets Inc.

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(tables follow)

GRILL CONCEPTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 27, 2009	December 28, 2008	December 27, 2009	December 28, 2008
Revenues:				
Sales	\$ 16,540	\$ 18,192	\$ 64,813	\$ 70,491
Management and license fees	604	1,241	2,110	3,469
Total revenues (net of reimbursed costs)	17,144	19,434	66,923	73,960
Operating expenses:				
Cost of sales	4,886	5,238	18,582	20,292
Restaurant payroll and related	5,737	7,106	24,652	26,421
Restaurant operating	3,283	3,255	11,511	12,365
Occupancy	410	1,364	5,069	5,596
General and administrative	1,080	1,983	5,736	8,033
Depreciation and amortization	1,147	1,163	4,342	3,903
Preopening costs	54	895	64	2,468
Abandoned projects	-	61	-	1,758
Loss on disposal of furniture, equipment and improvements	308	-	374	-
Impairment of furniture, equipment and improvements	3,058	2,781	3,058	2,781
Loss on investment in joint venture	1,224	-	1,224	-
Litigation claim settlement	-	55	-	1,103
Total operating expenses	21,187	23,901	74,612	84,720
Loss from operations	(4,043)	(4,468)	(7,689)	(10,760)
Interest, net	(407)	(261)	(1,482)	(580)
Other income	138	-	138	-
Loss before income taxes	(4,312)	(4,729)	(9,033)	(11,340)
(Provision) benefit for income taxes	282	(158)	140	(5,627)
Net loss	(4,030)	(4,887)	(8,893)	(16,967)
Net (loss) income attributable to noncontrolling interests	(48)	493	44	371
Net loss attributable to Grill Concepts, Inc.	(4,078)	(4,394)	(8,849)	(16,596)
Preferred dividends accrued	(94)	(125)	(375)	(125)
Deemed dividends	(4,625)	-	(4,625)	-
Net loss applicable to common stock	\$ (8,797)	\$ (4,519)	\$ (13,849)	\$ (16,721)
Net loss per share applicable to common stock:				
Basic	\$ (1.00)	\$ (0.51)	\$ (1.57)	\$ (1.90)
Diluted	\$ (1.00)	\$ (0.51)	\$ (1.57)	\$ (1.90)
Weighted-average shares outstanding:				
Basic	8,794	8,808	8,807	8,800
Diluted	8,794	8,808	8,807	8,800

GRILL CONCEPTS, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-U.S. GAAP MEASURES TO U.S. GAAP
(in thousands)

The following tables set forth the reconciliation of net loss to net earnings before interest, taxes, depreciation and amortization (EBITDA), before stock based compensation, preopening costs, abandoned projects, loss on disposal and impairment of furniture equipment and improvements, loss on investment in joint venture, litigation claim settlement accruals, and net losses attributable to noncontrolling interests:

	Three Months Ended		Twelve Months Ended	
	December 27, 2009	December 28, 2008	December 27, 2009	December 28, 2008
Net loss attributable to Grill Concepts, Inc.	\$ (4,078)	\$ (4,394)	\$ (8,849)	\$ (16,596)
Add (deduct):				
Stock based compensation	85	138	564	364
Depreciation and amortization	1,147	1,163	4,342	3,903
Preopening costs	54	895	64	2,468
Abandoned projects	–	61	–	1,758
Loss on Disposal of furniture, equipment and improvements	374	–	374	–
Impairment of furniture, equipment and improvements	3,058	2,781	3,058	2,781
Loss on investment in joint venture	1,224	–	1,224	–
Litigation claim settlement	–	55	–	1,103
Interest, net	407	260	1,482	580
Provision (benefit) for income taxes	(282)	158	(140)	5,627
Net loss attributable to noncontrolling interests	48	(494)	(44)	(371)
Modified EBITDA (as defined)	<u>\$ 2,037⁽¹⁾</u>	<u>\$ 623</u>	<u>\$ 2,075⁽¹⁾</u>	<u>\$ 1,617</u>

⁽¹⁾ Includes one time credits totaling \$0.7 million