

GRILL CONCEPTS, INC.

NEWS RELEASE

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GRILL CONCEPTS REPORTS 2008 FIRST QUARTER FINANCIAL RESULTS

-- Company Continues to Execute on Expansion Strategy; Launches Casual, Quick Service Concept --

WOODLAND HILLS, Calif. – May 19, 2008 – Grill Concepts, Inc. (Nasdaq:GRIL) today reported financial results for its three months ended March 30, 2008, with total revenues increasing 15.4 percent over the comparable prior-year period.

For the fiscal 2008 first quarter, total revenues rose to \$25.1 million from \$21.7 million in the prior-year period. Sales at company-owned restaurants for the current first quarter rose 5.4 percent to \$17.9 million from \$17.0 million, while management and license fees increased 19.9 percent to \$585,000 from \$488,000 last year. As previously announced, consolidated same-store sales for the first quarter of fiscal 2008 declined 4.1 percent. Comparable restaurant sales at *The Grill on the Alley* and *Daily Grill*-branded restaurants narrowed by 2.0 percent and 5.4 percent, respectively. Excluding the company's three Daily Grill locations in Orange County and adjacent in California, which have been heavily impacted by the subprime mortgage crisis, consolidated same-store sales for the first quarter of fiscal 2008 would have been narrowed by only 2.4 percent.

“Our first quarter comparable sales reflected the adverse impact that the macroeconomic environment is having on discretionary consumer spending across the country,” said Philip Gay, president and chief executive officer. “While sales were down when compared with the strong performance of the year-ago first quarter, we remain confident in the value proposition and strength of both *The Grill on the Alley* and *Daily Grill* restaurant brands and continue to make solid progress executing on our expansion plans.”

Earnings before interest, taxes, depreciation and amortization (EBITDA), before pre-opening costs and minority interest, totaled \$861,000 in the 2008 fiscal first quarter, versus \$1.2 million in the first quarter a year ago. For the three months ended March 30, 2008, the company posted a net loss applicable to common stock of \$138,000, equal to \$0.02 per share, including a tax benefit of \$66,000 and pre-opening expenses of \$174,000. This compares with net income applicable to common stock of \$181,000,

(more)

or \$0.03 per diluted share, for the fiscal 2007 first quarter, which included a tax provision of \$177,000 and pre-opening expenses of \$126,000.

In February 2008, the company launched a third branded concept, *In Short Order – Daily Grill* in the lobby of the Seattle Sheraton Hotel. Newly developed as an upscale, quick and fresh casual concept, *In Short Order – Daily Grill* is designed to complement the company's *Daily Grill* operations in the 1,253-room hotel. In May 2008, Grill Concepts successfully opened its first *Daily Grill*-branded restaurant in the New England market at The Shops at Prudential Center in Boston. The company-owned Boston *Daily Grill* is the second of four to six planned openings in 2008.

The company will enter the Tulsa, Oklahoma market with the opening of a *Daily Grill* restaurant in the Tulsa Crowne Plaza in third quarter of this year. Grill Concepts' sixth flagship *The Grill on the Alley* restaurant is slated to open in the internationally renowned Aventura Mall located in northeastern Miami-Dade County, Florida, in the fall of 2008. Later this year, the company's seventh *The Grill on the Alley* restaurant is on schedule to open in The Promenade at Westlake, located in Thousand Oaks, California. Strengthening its penetration in the Southern California market, Grill Concepts will open a *Daily Grill* restaurant in the Westin near the Los Angeles Airport during the 2008/2009 winter season.

Investor Conference Call

Management of Grill Concepts will host an investor conference call today at 2 p.m. PT (5 p.m. ET) to review the financial results. Investment professionals are invited to participate in the live call by dialing 877 604-9673 (domestic) or 719-325-4874 (international). The call will be open to all other interested parties through a live, listen-only audio Internet broadcast in the Investor Relations section of the company's Web site, www.dailygrill.com. For those who are not available to listen to the live broadcast, the call will be archived for one year at both Web sites. A telephonic playback of the conference call also will be available from approximately 4 p.m. PT on May 19, 2008 through May 26, 2008, by calling 888-203-1112 (domestic) or 719-457-0820 (international) using replay passcode 2545454.

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 30 restaurants including five *The Grill on the Alley*-branded restaurants in Beverly Hills, Hollywood and San Jose, California; Chicago, Illinois; and Dallas, Texas; 24 *Daily Grill* restaurants in California; the Washington, D.C. metropolitan

region; Houston and Austin, Texas; Portland, Oregon; Memphis, Tennessee; Seattle, Washington and Boston, Massachusetts; as well as one *In Short Order – Daily Grill* in Seattle, Washington.

Non-GAAP Financial Measure

The company believes that 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 ability to continue expanding its restaurant network, projected opening dates of restaurants and projected opening dates of restaurants currently under letters of intent and the expected construction cost of planned openings. 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 United States Securities and Exchange Commission.

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(tables follow)

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

	Three Months Ended	
	March 30, 2008	April 1, 2007
	(unaudited)	(unaudited)
Revenues:		
Sales	\$ 17,948	\$ 17,037
Cost reimbursements	6,537	4,197
Management and license fees	585	488
Total revenues	25,070	21,722
Operating expenses:		
Cost of sales	5,116	4,864
Restaurant operating	10,613	9,942
Reimbursed costs	6,537	4,197
General and administrative	1,943	1,528
Depreciation and amortization	821	556
Pre-opening costs	174	126
Total operating expenses	25,204	21,213
Income (loss) from operations	(134)	509
Interest, net	(12)	(67)
Income (loss) before benefit (provision) for income taxes and minority interest	(146)	442
Benefit (provision) for income taxes	66	(177)
Minority interest in net profit of subsidiaries	(58)	(78)
Net income (loss)	(138)	187
Preferred dividends accrued	-	(6)
Net income (loss) applicable to common stock	\$ (138)	\$ 181
Net income (loss) per share applicable to common stock:		
Basic	\$ (0.02)	\$ 0.03
Diluted	\$ (0.02)	\$ 0.03
Weighted-average shares outstanding:		
Basic	8,794	6,420
Diluted	8,794	6,803

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

(dollars in thousands)

(unaudited)

The following table sets forth the reconciliation of net income (loss) to earnings before interest, taxes, depreciation and amortization (EBITDA), before pre-opening costs and minority interest:

	Three Months Ended	
	March 30, 2008	April 1, 2007
Net income (loss)	\$ (138)	\$ 187
Add:		
Interest, net	12	67
(Benefit) provision for income taxes	(66)	177
Depreciation and amortization	<u>821</u>	<u>556</u>
Pre-opening costs	174	126
Minority interest	<u>58</u>	<u>78</u>
EBITDA before pre-opening costs and minority interest	<u>\$ 861</u>	<u>\$ 1,191</u>