

GRILL CONCEPTS, INC.

NEWS RELEASE

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GRILL CONCEPTS REPORTS 2009 FIRST, SECOND QUARTERS AND SIX-MONTH FINANIAL RESULTS

WOODLAND HILLS, Calif. – November 7, 2009 – 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 unaudited financial results for three month periods ended March 29 and June 28, 2009 and the first half of 2009.

Sales at company-owned restaurants and the change in comparable same-store sales for the fiscal 2009 periods are reflected in the table below:

	Three Months Ended		Six Months Ended
	March 29, 2009	June 28, 2009	June 28, 2009
Revenues:			
Sales	\$ 17,822	\$ 16,121	\$ 33,944
Management and license fees	526	425	951
Total revenues	18,348	16,546	34,895
Same-store sales			
Daily Grill	(16.6)%	(15.7)%	(15.9)%
The Grill on the Alley	(22.6)%	(21.9)%	(21.9)%
Consolidated	(18.8)%	(18.0)%	(18.0)%

Sales at company-owned restaurants for the comparable fiscal 2008 periods are reflected in the table below:

	Three Months Ended		Six Month Ended
	March 30, 2008	June 29, 2008	June 29, 2008
Revenues:			
Sales	\$ 17,948	\$ 17,676	\$ 35,624
Management and license fees	585	797	1,382
Total revenues	18,533	18,473	37,006

(more)

“Late last year, we began implementing a strategic plan designed to reduce our operating structure in a most difficult macroeconomic environment and focus the company’s resources on longer-term, profitable growth,” said Philip Gay, president and chief executive officer. “The actions taken in the first half of this year have improved our business and financial condition, and we are now better positioned to navigate the on-going economic downturn.”

As previously reported, after a special meeting of stockholders held on March 17, 2009 and the ratification of certain proposals, the company voluntarily delisted its common stock on Nasdaq and withdrew the registration of its stock with the Securities and Exchange Commission (SEC). Following these transactions, shares of Grill Concepts are now quoted on the Pink Sheets Electronic OTC Markets. These actions eliminated the substantial and increasing expenses associated with being an SEC reporting company.

On May 24, 2009, the company closed one of its managed restaurants, the Long Beach *Daily Grill*. The company said these collective actions, along with the continued down-sizing of its workforce as appropriate, helped to reduce its core operating expense structure. Offsetting these reductions during the first half of 2009 was non-core operating expenses of approximately \$200,000 associated with the deregistration and delisting transactions.

The company incurred net losses applicable to common stock of \$1.3 million for the 2009 fiscal first quarter and \$1.5 million for the 2009 second quarter, totaling \$2.8 million for the first half of 2009. This compares with net losses applicable to common stock of \$138,000; \$993,000 and \$1.1 million, respectively, for the corresponding prior-year periods.

On a per share basis for the 2009 periods, net loss applicable to common stock equaled \$0.14 for the first quarter, \$0.17 for the second quarter and \$0.31 for the first six months. This compares with fiscal 2008 net losses per share applicable to common stock of \$0.02 for the first quarter, \$0.11 for the second quarter and \$0.13 for the first half.

Earnings before interest, taxes, depreciation and amortization (EBITDA), before preopening costs, minority interest, litigation settlement accruals and stock based compensation equaled \$400,000 for the fiscal 2009 first quarter. Earnings before interest, taxes, depreciation and amortization (EBITDA), before preopening costs, minority interest, litigation settlement accruals and stock based compensation was \$32,000 for the fiscal 2009 second quarter. For the first six months of 2009, EBITDA before preopening costs, minority interest, litigation settlement accruals and stock based compensation totaled \$431,000.

Comparatively, EBITDA before preopening costs, minority interest, litigation settlement accruals, and stock based compensation equaled \$886,000 for the 2008 first quarter, \$613,000 for the 2008 second quarter and \$1.5 million for the first half of 2008.

“More than ever, it is imperative that we remain competitive in this challenging environment, while providing the fresh, quality food and outstanding service that has become synonymous with *The Grill on the Alley* and *Daily Grill* brands,” Gay said. “We have initiated new marketing programs to embrace our loyal patrons, as well as to introduce our restaurant brands to new customers, and we believe we are

beginning to see some positive results. At the same time, we are cognizant that it will take longer than any of us would like for the nation's economy to recover from this economic downturn. We continue to make solid progress with our strategic plan and remain confident in our long term prospects to enhance the value proposition for our employees, customers and shareholder base."

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 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; 22 *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 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
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except per share data)

	Three Months Ended	
	March 29, 2009	March 30, 2008
Revenues:		
Sales	\$ 17,822	\$ 17,948
Management and license fees	526	585
Total revenues	<u>18,348</u>	<u>18,533</u>
Operating expenses:		
Cost of sales	4,991	5,116
Restaurant payroll and related	6,837	6,466
Restaurant operating	3,074	2,823
Occupancy	1,594	1,324
General and administrative	1,609	1,943
Depreciation and amortization	1,181	821
Pre-opening costs	-	174
Total operating expenses	<u>19,286</u>	<u>18,667</u>
Loss from operations	(938)	(134)
Interest net	(285)	(12)
Loss before income taxes and minority interest	<u>(1,223)</u>	<u>(146)</u>
Benefit for income taxes	-	66
Loss before minority interest	<u>(1,223)</u>	<u>(80)</u>
Minority interest in net loss (profit) of subsidiaries	47	(58)
Net loss	<u>(1,176)</u>	<u>(138)</u>
Preferred dividends accrued	(94)	-
Net loss applicable to common stock	<u>\$ (1,270)</u>	<u>\$ (138)</u>
Net loss per share applicable to common stock:		
Basic	<u>\$ (0.14)</u>	<u>\$ (0.02)</u>
Diluted	<u>\$ (0.14)</u>	<u>\$ (0.02)</u>
Weighted-average shares outstanding:		
Basic	<u>8,804</u>	<u>8,794</u>
Diluted	<u>8,804</u>	<u>8,794</u>

GRILL CONCEPTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 28, 2009	June 29, 2008	June 28, 2009	June 29, 2008
Revenues:				
Sales	\$ 16,121	\$ 17,676	\$ 33,944	\$ 35,624
Management and license fees	425	797	951	1,382
Total revenues	<u>16,546</u>	<u>18,473</u>	<u>34,895</u>	<u>37,006</u>
Operating expenses:				
Cost of sales	4,534	5,048	9,526	10,164
Restaurant payroll and related	6,168	6,557	13,005	13,023
Restaurant operating	2,762	3,159	5,836	5,982
Occupancy	1,587	1,460	3,181	2,784
General and administrative	1,619	1,755	3,229	3,698
Depreciation and amortization	977	903	2,158	1,724
Pre-opening costs	9	543	9	717
Litigation claim settlement	-	780	-	780
Total operating expenses	<u>17,656</u>	<u>20,205</u>	<u>36,944</u>	<u>38,872</u>
Loss from operations	(1,110)	(1,732)	(2,049)	(1,866)
Interest, net	(246)	(135)	(531)	(147)
Loss before income taxes and minority interest	<u>(1,356)</u>	<u>(1,867)</u>	<u>(2,580)</u>	<u>(2,013)</u>
Benefit (Provision) for income taxes	(93)	769	(93)	835
Loss before minority interest	<u>(1,449)</u>	<u>(1,098)</u>	<u>(2,673)</u>	<u>(1,178)</u>
Minority interest in net loss of subsidiaries	56	105	103	47
Net loss	<u>(1,393)</u>	<u>(993)</u>	<u>(2,570)</u>	<u>(1,131)</u>
Preferred dividends accrued	(94)	-	(188)	-
Net loss applicable to common stock	<u>\$ (1,487)</u>	<u>\$ (993)</u>	<u>\$ (2,758)</u>	<u>\$ (1,131)</u>
Net loss per share applicable to common stock:				
Basic	<u>\$ (0.17)</u>	<u>\$ (0.11)</u>	<u>\$ (0.31)</u>	<u>\$ (0.13)</u>
Diluted	<u>\$ (0.17)</u>	<u>\$ (0.11)</u>	<u>\$ (0.31)</u>	<u>\$ (0.13)</u>
Weighted-average shares outstanding:				
Basic	<u>8,798</u>	<u>8,798</u>	<u>8,801</u>	<u>8,796</u>
Diluted	<u>8,798</u>	<u>8,798</u>	<u>8,801</u>	<u>8,796</u>

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

(dollars in thousands)

(unaudited)

The following tables set forth the reconciliation of net loss to loss before interest, taxes, depreciation and amortization (EBITDA), before preopening costs, minority interest, litigation claim settlement accruals and stock based compensation:

	Three Months		Six Months
	Ended		Ended
	March 29, 2009	June 28, 2009	June 28, 2009
Net loss	\$ (1,176)	\$ (1,393)	\$ (2,570)
Add (deduct):			
Interest, net	285	246	531
Provision (benefit) for income taxes	–	93	93
Depreciation and amortization	1,181	977	2,158
Pre-opening costs	–	9	9
Minority interest	(47)	(56)	(103)
Litigation claim settlement	–	–	–
Stock based compensation	157	156	313
EBITDA (as defined)	<u>\$ 400</u>	<u>\$ 32</u>	<u>\$ 431</u>

	Three Months		Six Months
	Ended		Ended
	March 30, 2008	June 29, 2008	June 29, 2008
Net loss	\$ (138)	\$ (993)	\$ (1,131)
Add (deduct):			
Interest, net	12	135	147
Provision (benefit) for income taxes	(66)	(769)	(835)
Depreciation and amortization	821	903	1,724
Pre-opening costs	174	543	717
Minority interest	58	(105)	(47)
Litigation claim settlement	–	780	780
Stock based compensation	25	119	144
EBITDA (as defined)	<u>\$ 886</u>	<u>\$ 613</u>	<u>\$ 1,499</u>