The Restaurant Company
Perkins Restaurant & Bakeries

6075 Poplar Avenue - Suite 800
Memphis, TN 38119-4709
Phone: (800) 877-7375
Fax: (901) 766-6482

Contact: Vivian Brooks
for Perkins Restaurants
Phone: (508)347-2368

The Restaurant Company Reports Results for Fiscal 2005 Fourth Quarter and for the Fiscal 2005 Year Ended December 25, 2005

MEMPHIS, TN, APRIL 12, 2006 -- The Restaurant Company today reported financial results for its 2005 fiscal fourth quarter and its fiscal year ended December 25, 2005.

Highlights for the fourth quarter of fiscal 2005 as compared to the fourth quarter of fiscal 2004 were:

- Revenue increased by 1.9% to $81.7 million.
- Comparable restaurant revenues increased by 2.2%
- Foxtail revenue increased 4.6% to $12.2 million.
- The Company reported a net loss of $0.4 million compared to net income of $2.0 million for 2004.The decrease in net income is primarily a result of the sale-leaseback transaction consummated in June 2005. Rent expense in the fourth quarter of 2005 increased by $3.4 million over the same quarter of 2004.
- During the fourth quarter, the Company opened one franchise store, closed one company-operated store and closed four franchise stores.

Highlights for the fiscal year 2005 as compared to the fiscal year 2004 were:

- Revenue increased by 3.2% to $352.3 million.
- Comparable restaurant revenues increased by 1.3%.
- Foxtail revenue increased 24.4% to $47.8 million.
- After giving effect to $5.5 million of transaction costs, related to the acquisition of the Company by an affiliate of Castle Harlan, Inc., and $8.9 million of stock compensation expense the Company reported net income of $9.8 million compared to $5.1 million for 2004.
- Year to date, the Company opened ten franchise stores, closed one company-operated store and closed thirteen franchise stores. Also, one company-operated store was sold to a franchisee. At December 25, 2005, we had 151 company-operated stores and 331 franchise stores in our system.

J. Trungale, President and Chief Executive Officer of The Restaurant Company commented "this past year was successful on a number of levels including the fact that we improved our in-store execution and simplified our menu. While there are certainly opportunities for further development of the bakery business, we hit plan, our franchise system is strong and we now have a solid working model and strategy in place that positions us for future growth."

Fourth Quarter of Fiscal 2005 Financial Results

Revenues for the fourth quarter of fiscal 2005 increased 1.9% to $81.7 million from $80.2 million for the fourth quarter of fiscal 2004. The growth in revenues is attributable to an increase in comparable restaurant sales.

Food cost decreased slightly to $22.9 million for the fourth quarter of fiscal 2005 from $23.0 million for the fourth quarter of fiscal 2004.

Labor and benefits costs decreased $0.3 million to $25.6 million for the fourth quarter of fiscal 2005 from $25.9 million for the fourth quarter of fiscal 2004.

Restaurant operating expenses increased $5.4 million to $19.6 million for the fourth quarter of fiscal 2005 from $14.2 million for the fourth quarter of fiscal 2004. This increase is primarily due to increased restaurant rent expense as a result of the sale-leaseback transaction consummated during 2005.

General and administrative expenses decreased $0.1 million to $7.5 million for the fourth quarter of fiscal 2005 from $7.6 million for the fourth quarter of fiscal 2004.

For the fourth quarter of 2005, the Company reported a net loss of $0.4 million compared to net income of $2.0 million for 2004. The decrease in net income is primarily a result of the sale-leaseback transaction consummated in June 2005. Rent expense in the fourth quarter of 2005 increased by $3.4 million over the same quarter of 2004.

Fiscal Year 2005 Financial Results

Revenues for fiscal 2005 increased 3.2% to $352.3 million from $341.3 million for fiscal 2004. The growth in revenues is attributable primarily to a 24.4% increase in Foxtail revenues due to production contracts associated with Foxtail's new pie manufacturing line that began production during the second half of 2004. The increase in revenues is also attributable to an increase in comparable restaurant sales.

Food cost increased $3.9 million to $97.3 million for fiscal 2005 from $93.4 million for fiscal 2004.

Labor and benefits costs increased $1.0 million to $111.3 million for fiscal 2005 from $110.3 million for fiscal 2004.

Restaurant operating expenses increased $9.3 million to $73.7 million for fiscal 2005 from $64.4 million for fiscal 2004. This increase is primarily due to increased restaurant rent expense as a result of the sale-leaseback transaction consummated during 2005.

General and administrative expenses increased $0.5 million to $31.9 million for fiscal 2005 from $31.4 million for fiscal 2004.

After giving effect to $5.5 million of transaction costs, related to the acquisition of the Company by an affiliate of Castle Harlan, Inc., and $8.9 million of stock compensation expense the Company reported net income of $9.8 million for fiscal 2005 compared to $5.1 million for fiscal 2004.

Adjusted EBITDA

The following information has been prepared solely for informational purposes and will be disclosed to prospective lenders in connection with a proposed financing for The Restaurant Company.

The following table provides calculations of adjusted EBITDA. EBITDA is a non-GAAP financial measure and should not be considered as an alternative to, or more meaningful than, earnings from operations, cash flows from operations or other traditional indications of a company's operating performance or liquidity. Adjusted EBITDA information is included to provide comparability due to the Company's sale-leaseback transaction completed in June 2005 and the acquisition of the Company completed in September 2005.

(In Thousands)	Year Ended December 25, 2005	Year Ended December 26, 2004	Year Ended December 28, 2003
Net (loss) Income	$(4,618)	$5,145	$2,000
(Benefit from) Provision for income taxes	(4,467)	1,504	(247)
Net interest expense	18,876	16,121	16,586
Depreciation and amortization	15,405	18,866	20,184
Former CEO compensation and expense	1,134	1,112	743
Corporate Aircraft expenses	817	872	1,883
Transaction costs and management fees	5,951	-	-
Asset write-down	260	740	455
(Benefit from) provision for disposition of assets	(1,422)	(109)	336
Net loss from discontinued operations	-	-	96

Stock option plan expense	8,925	436	19
Severance pay	135	174	424
Cash flow from closed stores	147	128	163
GAAP rent	17,185	10,319	9,992
Cash rent (proforma for sale-leaseback)	(20,402)	(20,738)	(20,754)
Other adjustments	401	290	82
Adjusted EBITDA	38,327	34,860	31,962

About the Company

The Restaurant Company operates and franchises mid-scale full service restaurants, which serve a wide variety of high quality, moderately priced breakfast, lunch and dinner entrees. As of December 25, 2005, we operated 151 and franchised 331 Perkins Restaurants and Bakery's.

Forward Looking Statements

This press release contains "forward-looking statements." These statements may be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "should," or "will," or the negative thereof or other variations thereon or comparable terminology.

TRC has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond its control. Some of the key factors that could cause its actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements include the following:

- competitive pressures and trends in the restaurant industry;
- prevailing prices and availability of food, supplies and labor;
- relationships with franchisees and financial health of franchisees;
- general economic conditions and demographic patterns;
- development and expansion plans;
- plans with respect to the possible acquisition of the Marie Callender's business and the financing related thereto; and
- statements covering business strategy.

Undue reliance should not be placed on such forward-looking statements. The forward-looking statements included in this press release are made only as of the date hereof. TRC does not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

The Restaurant Company and Subsidiaries Consolidated Statements of Operations

(In Thousands)	Successor September 22, 2005 - December 25, 2005	Predecessor December 27, 2004 - September 21, 2005	Year Ended December 26, 2004	Year Ended December 28, 2003
REVENUES:				
Food sales	$87,128	$243,446	$319,737	$311,002
Franchise and other revenue	5,418	16,343	21,604	21,640
Total Revenues	92,546	259,789	341,341	332,642
COSTS AND EXPENSES:				
Cost of sales (excluding depreciation shown below):				
Food cost	27,346	69,976	93,439	89,490
Labor and benefits	28,902	82,352	110,312	110,115
Operating expenses	20,238	53,438	64,397	64,238
General and administrative	8,233	23,711	31,395	29,077
Transaction costs	867	4,632	-	-
Stock compensation	-	8,925	-	-
Depreciation and amortization	3,589	11,816	18,866	20,184
Interest, net	5,496	13,380	16,121	15,586
(Benefit from) provision for disposition of assets, net	(904)	(518)	(109)	336
Lease Termination	-	-	-	761
Asset write-down	12	248	740	455
Other, net	(105)	(214)	(469)	(494)
Total Costs and Expenses	93,674	267,746	334,692	330,793
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(1,128)	(7,957)	6,649	1,849
BENEFIT FROM (PROVISION FOR) INCOME TAXES	650	3,817	(1,504)	247
(LOSS) INCOME FROM CONTINUING OPERATIONS	(478)	(4,140)	5,145	2,096
DISCONTINUED OPERATIONS:				
Loss from discontinued operations of Sage Hen	-	-	-	(154)
Income tax benefit	-	-	-	58
LOSS FROM DISCONTINUED OPERATIONS	-	-	-	(96)
NET (LOSS) INCOME	$(478)	$(4,140)	$5,145	$2,000

The Restaurant Company and Subsidiaries Consolidated Balance Sheets

(In Thousands, Except Share Amounts)	Successor December 25, 2005	Predecessor December 26, 2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$4,474	$17,988
Restricted cash	8,225	5,853
Trade receivables, less allowance for doubtful accounts of $1,584 and $1,279	10,554	10,268
Inventories, at the lower of first-in, first-out cost or market	6,971	7,166
Excrow deposits	18,162	-
Prepaid expenses and other current assets	3,188	1,228
Deferred income taxes	2,845	2,579
Total current assets	54,419	45,082
PROPERTY AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	42,433	113,011
GOODWILL	154,049	57,961
INTANGIBLE ASSETS, net of accumulated amortization of $476 and $5,914	47,779	6,609
DEFERRED INCOME TAXES	-	7,880

OTHER ASSETS	9,738	7,242
	$308,418	$237,785
LIABILITIES AND STOCKHOLDER'S INVESTMENT		
CURRENT LIABILITIES:		
Current maturities of capital lease obligations	$277	$331
Accounts payable	9,474	9,980
Franchisee advertising contributions	4,752	3,851
Accrued expenses	39,603	23,435
Total current liabilities	54,106	37,597
CAPITAL LEASE OBLIGATIONS, less current maturities	260	537
LONG-TERM DEBT	187,503	147,438
DEFERRED TAX LIABILITY	12,573	-
OTHER LIABILITIES	3,331	8,927
DUE TO PARENT	-	47,715
STOCKHOLDER'S INVESTMENT:		
Common stock, $.01 par value, 100,000 shares authorized, 10,820 issued and outstanding	1	1
Accumulated Other Comprehensive Income	14	75
Retained Earnings (deficit)	50,630	(4,505)
	50,645	(4,429)
	308,418	237,785

The Restaurant Company and Subsidiaries Consolidated Statements of Cash Flows

(In Thousands)	Successor September 22, 2005 - December 25, 2005	Predecessor December 27, 2004 - September 21, 2005	Year Ended December 26, 2004	Year Ended December 28, 2003
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	$(478)	$(4,140)	$5,145	$2,000
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,589	11,816	18,866	20,184
Accretion of Senior Discount Notes	-	-	-	7
Amortization of Discount	74	-	-	-
Payments on notes receivable of franchise fees	505	293	268	302
(Benefit from) provision for disposition of assets	(904)	(518)	(109)	336
Asset write-down	12	248	740	455
Other non-cash income and expense items, net	75	2,417	752	594
Net changes in other operating assets and liabilities	4,932	(19,657)	(2,535)	(3,517)
Total adjustments	8,283	(5,401)	17,982	18,361
Net cash provided by (used in) operating activities	7,805	(9,541)	23,127	20,361
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash paid for property and equipment	(3,250)	(6,271)	(11,874)	(9,740)
Acquisition of predecessor's business	(224,891)	-	-	-
Proceeds from sale of property and equipment	1,353	137,228	3,490	29
Net cash (used in) provided by investing activities	(226,788)	130,957	(8,384)	(9,711)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments under capital lease obligations	(77)	(254)	(467)	(648)
Payments on long-term debt	(6,600)	(148,009)	-	(14,603)
Proceeds from long-term debt	190,029	4,000	-	3,750
Debt issuance costs	(9,288)	-	-	-
Proceeds for stock option redemption	-	9,645	-	-
Capital contribution from parent	44,607	-	-	-
Distribution to RHC	-	-	(1,250)	-
Net cash provided by (used in) financing activities	218,671	(134,618)	(1,717)	(11,501)
Net increase (decrease) in cash and cash equivalents	(312)	(13,202)	13,026	(851)
CASH AND CASH EQUIVALENTS:				

Balance, beginning of year	4,786	17,988	4,962	5,813
Balance, end of year	4,474	4,786	17,988	4,962