



PondelWilkinson

Investor Relations  
Corporate/Financial Communications

PondelWilkinson Inc.  
1880 Century Park East, Suite 700  
Los Angeles, CA 90067

T (310) 279 5980  
F (310) 279 5988  
W [www.pondel.com](http://www.pondel.com)

## NEWS RELEASE

CONTACTS: Philip Gay  
Chief Executive Officer  
Grill Concepts, Inc.  
(310) 820-5559, ext. 233

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

### FOR IMMEDIATE RELEASE

#### GRILL CONCEPTS ANNOUNCES RESTATEMENT OF PREVIOUSLY REPORTED RESULTS RELATED TO HRP BUYOUT

**Los Angeles, California – August 7, 2007** – Grill Concepts, Inc.

(NASDAQ:GRIL) today announced that in connection with a regular ongoing review of its financial statements, the company re-evaluated the accounting treatment for the purchase of certain contractual rights held by Hotel Restaurant Properties, Inc. and affiliates (collectively “HRP”). As a result of that review, Grill Concepts’ management and audit committee, in consultation with its independent public accounting firm, determined that the consideration paid for the HRP purchase agreement, previously recorded on the company’s Consolidated Balance Sheet as a non-current asset attributable to the non-compete provision included in the agreement and amortized over the life of the non-compete agreement, should have been treated as a termination fee, resulting in a charge to earnings at the time of the agreement.

Accordingly, the company will be amending certain filings to expense the \$3 million purchase price in the third quarter of 2006 and reversing approximately \$155,000 in amortization expense in each quarterly period since. As such, the company’s consolidated financial statements results for the fiscal 2006 third quarter, fiscal 2007 first quarter and the 2006 fiscal year should no longer be relied upon.

On September 1, 2006, the company entered into a purchase agreement with HRP and acquired certain contractual rights and interests of HRP. The buyout terminated HRP’s rights to receive a portion of the cash flow from four managed restaurant locations and effectively eliminated Grill Concepts’ obligation to pay to HRP approximately \$300,000 per year. The purchase agreement also provided for the elimination of the

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exclusivity provisions under the original HRP agreement and a five-year non-compete agreement. The company accounted for this transaction as a payment attributable to the non-compete agreement included within the purchase agreement, capitalizing the \$3 million purchase price and amortizing the same over five years.

“Previously reported revenues or net cash flow will not be affected and the adjustments do not in any way impact the future operations or growth opportunities of our company,” said Philip Gay, chief executive officer. “Importantly, the net effect of the adjustments will eliminate the need for quarterly amortization expense for the five-year period and thus add approximately \$620,000 annually to our pre-tax earnings.”

Management is working as expeditiously as possible to complete the restatements and expects to file amended Form 10-Qs for the 2006 third quarter and 2007 first quarter, along with an amended Form 10-K for 2006 in the next few weeks.

“While we regret the efforts needed to complete the restatement, we are very pleased with the progress we continue to make with our accelerated expansion plans,” Gay said. “Our third new restaurant of 2007 debuted in Austin, TX on July 30, and with five additional new restaurants confirmed to date for openings through 2008 and strong operating momentum, we believe the future is brighter-than-ever for Grill Concepts,” Gay said.

#### **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*. The company operates 27 restaurants including five *The Grill on the Alley*-branded restaurants in Beverly Hills, Hollywood, San Jose, California; Chicago, Illinois; and Dallas, Texas as well as 22 *Daily Grill* restaurants in Southern and Northern California; the Washington, D.C. metropolitan region; Houston and Austin, Texas; Portland, Oregon; Memphis, Tennessee; and Seattle, Washington.

*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 and projected opening dates of restaurants and the timing of filing amended reports and the actual restated results reported in those amended reports. 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.*