

**Buffets Holdings, Inc.**  
**Non-GAAP Financial Measures As Discussed in Investor Conference Call on August 27, 2004**  
**(Unaudited)**

During the Investor Conference Call on August 27, 2004, we discussed earnings before net interest expense, taxes, depreciation and amortization (EBITDA) as well as EBITDA as adjusted for the loss from sale and leaseback transactions, impairment of assets, gain on the sale of 13 Original Roadhouse Grill restaurants, loss on refinancing, loss on early extinguishment of debt and financing-related compensation expenses (referred to hereinafter as adjusted EBITDA).

EBITDA and adjusted EBITDA are non-GAAP financial measures used by management, as well as some industry analysts, to measure operating performance. We believe that presenting adjusted EBITDA is useful to investors because the measure excludes infrequent charges related to specific non-recurring transactions, since we believe that these items are not indicative of our operating performance. We believe that EBITDA and adjusted EBITDA are useful supplements to net income and other income statement data in understanding income from operations that best reflects our operating performance. We also use EBITDA and adjusted EBITDA for planning purposes, including the preparation of annual operating budgets, and for compensation purposes, including bonuses for certain employees. EBITDA and adjusted EBITDA are also used to evaluate our ability to service debt because the excluded charges do not have an impact on our prospective debt servicing capability and these adjustments are contemplated in our senior credit facility for the computation of our debt covenant ratios.

When evaluating EBITDA and adjusted EBITDA, investors should consider, among other things, increasing and decreasing trends in EBITDA and adjusted EBITDA and how EBITDA and adjusted EBITDA compare to levels of debt and interest expense. However, these measures should not be construed as alternatives to operating income (as an indicator of operating performance) or cash provided by operating activities (as a measure of liquidity) as determined in accordance with GAAP. All companies do not calculate adjusted EBITDA in the same manner. Accordingly, the adjusted EBITDA measures presented below may not be comparable to similarly titled measures of other companies.

As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.

(dollars in thousands)	For the 12 Weeks Ended		For the Fiscal Year Ended	
	July 2, 2003	June 30, 2004	July 2, 2003	June 30, 2004
<b>Net income</b>	<b>\$ 8,259</b>	<b>\$ 1,519</b>	<b>\$ 11,927</b>	<b>\$ 7,970</b>
Adjustments:				
Interest expense, net	8,326	9,978	40,928	39,185
Income tax expense (benefit)	4,153	(1,052)	5,319	1,648
Depreciation and amortization	7,995	7,802	36,885	33,807
<b>EBITDA</b>	<b>\$ 28,733</b>	<b>\$ 18,247</b>	<b>\$ 95,059</b>	<b>\$ 82,610</b>
Adjustments:				
Loss on sale and leaseback transaction	422	-	5,856	-
Impairment of assets	4,547	1,878	4,803	1,878
Loss on refinancing	-	(22)	-	4,776
Loss related to early extinguishment of debt	-	2,548	-	5,275
Gain on sale of ORHG restaurants	(7,088)	-	(7,088)	-
Financing-related compensation expenses	-	2,240	-	2,240
<b>Adjusted EBITDA</b>	<b>\$ 26,614</b>	<b>\$ 24,891</b>	<b>\$ 98,630</b>	<b>\$ 96,779</b>

(dollars in thousands)	For the 12 Weeks Ended	For the 12 Weeks Ended	
	September 24, 2003	Low End of Forecast Range	High End of Forecast Range
<b>Net income</b>	<b>\$ 3,967</b>	<b>\$ 706</b>	<b>\$ 2,048</b>
Adjustments:			
Interest expense, net	8,750	11,400	11,400
Income tax expense	2,100	346	1,004
Depreciation and amortization	7,606	7,625	7,625
<b>EBITDA</b>	<b>\$ 22,423</b>	<b>\$ 20,077</b>	<b>\$ 22,077</b>
Adjustments:			
Loss related to early extinguishment of debt	-	1,923	1,923
<b>Adjusted EBITDA</b>	<b>\$ 22,423</b>	<b>\$ 22,000</b>	<b>\$ 24,000</b>

The following information, regarding the EBITDA for the 13 Original Roadhouse Grill restaurants that were sold on June 5, 2003, was discussed during the conference call:

(dollars in thousands)	For the Period from April 10, 2003 thru June 5, 2003	For the Period from July 4, 2002 thru June 5, 2003
<b>Net income</b>	<b>\$ 82</b>	<b>\$ 1,731</b>
Adjustments:		
Interest expense, net	224	1,437
Income tax expense	363	1,083
Depreciation and amortization	-	-
<b>EBITDA</b>	<b>\$ 669</b>	<b>\$ 4,251</b>

Note: Net income and certain adjustments presented above for the 13 Original Roadhouse Grill restaurants reflect certain allocations based on a percentage of sales. In accordance with generally accepted accounting principles, we ceased recognizing depreciation and amortization expense on the restaurants for the periods presented, as the restaurants were classified as Assets Held for Sale.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

The forecasts set forth above are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in, or implied by, such forecasts. The risks and uncertainties involving forward-looking statements include, but are not limited to, general business and economic conditions, negative publicity, the impact of competition, the seasonality of our business, adverse weather conditions, future commodity prices, fuel and utility costs, labor costs, employment and environmental laws, governmental regulations and inflation. For a detailed discussion of risks and uncertainties that you should consider, please refer to the "Risk Factors" and "Forward-Looking Statements" sections contained in our Buffets Holdings' registration statement declared effective by the Securities and Exchange Commission on July 14, 2004. These forecasts reflect our current beliefs and are based upon information currently available to us. Be advised that future developments are likely to cause these forecasts to become outdated with the passage of time. We disclaim any obligation to update forward-looking statements.