

GRILL CONCEPTS, INC.

NEWS RELEASE

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GRILL CONCEPTS REPORTS THIRD QUARTER FINANCIAL RESULTS

WOODLAND HILLS, Calif. – November 10, 2010 – 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 financial results for its fiscal third quarter and nine months ended September 26, 2010.

“Total revenues for the third quarter increased 9.1% over the prior year period, attributable to increased guest counts, along with higher guest check averages, both reflecting a gradual improvement in economic conditions,” said Robert Spivak, president and chief executive officer. “The increase was achieved despite a net closure of two owned restaurants during the second half of 2009 and the first half of the current year. Same-store sales for the Daily Grill restaurants rose 5.6% for the most recent third quarter and 7.5% for our Grill on the Alley restaurants.

“We are pleased with the early performance of our newest Daily Grill restaurant, which opened in April in the Westin Los Angeles Airport Hotel on West Century Boulevard,” Spivak said. “Thus far throughout 2010, restaurant industry data, along with our own performance, indicate that consumer discretionary spending appears to have stabilized. We are hopeful that this trend will continue, which, combined with tight cost controls, will enable the company to turn in favorable results.”

Sales at company-owned restaurants for the fiscal 2010 and 2009 third quarter and the change in comparable same-store sales are reflected in the table below:

	Three Months Ended		Nine Months Ended	
	September 26, 2010	September 27, 2009	September 26, 2010	September 27, 2009
<i>(amounts in thousands)</i>				
Revenues:				
Sales	\$ 15,709	\$ 14,330	\$ 49,982	\$ 48,274
Management and license fees	536	556	1,457	1,506
Total revenues	16,245	14,886	51,439	49,780
Same-store sales:				
The Grill on the Alley	7.5%	(17.7)%	5.9%	(16.4)%
Daily Grill	5.6%	(21.6)%	0.6%	(21.9)%
Consolidated	6.3%	(19.3)%	2.7%	(18.4)%

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Total operating expenses for the fiscal 2010 third quarter were \$17.8 million, compared with \$16.5 million a year ago. The increase primarily reflected higher cost of sales, along with increased payroll and restaurant operating costs. General and administrative expenses for the fiscal 2010 third quarter were \$1.6 million compared with \$1.4 million last year.

Grill Concepts posted a net loss applicable to common stock of \$2.1 million, equal to \$0.23 per share, for the 2010 fiscal third quarter, versus a net loss applicable to common stock of \$2.3 million, equal to \$0.26 per share, a year ago.

For the year-to-date period of fiscal 2010, total operating expenses were \$55.1 million, compared with \$53.4 million last year. General and administrative costs for the first nine months of fiscal 2010 amounted to \$4.7 million, approximately the same as the comparable prior year period.

Grill Concepts posted a net loss applicable to common stock of \$5.4 million, equal to \$0.61 per share, for the first nine months of fiscal 2010, versus a net loss applicable to common stock of \$5.1 million, or \$0.57 per share, a year ago. Earnings before interest, taxes, depreciation and amortization (EBITDA), stock based compensation, pre-opening costs, abandoned projects, loss on investment in joint venture, net income/losses attributable to non-controlling interests and other non-recurring costs totaled \$255,000 for the 2010 fiscal third quarter, compared with a loss of \$152,000 for the same period a year ago.

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 quick casual concept named *In Short Order – Daily Grill*. The company operates and or licenses 29 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; 21 *Daily Grill* restaurants in California; the Washington, D.C. metropolitan region; Houston and Austin, Texas; Portland, Oregon; Seattle, Washington, and Tulsa, Oklahoma; as well as one *In Short Order – Daily Grill* in Seattle, Washington.

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Non-GAAP Financial Measure

The company believes that Earnings before interest, taxes, depreciation and amortization (“EBITDA”), stock based compensation, pre-opening costs, abandoned projects, loss on investment in joint venture, and net income/losses attributable to non-controlling interests and other non-recurring costs, 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, achieving favorable results based continued stable consumer discretionary spending, combined with tight cost controls. 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
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 26, 2010	September 27, 2009	September 26, 2010	September 27, 2009
Revenues:				
Sales	\$ 15,709	\$ 14,330	\$ 49,982	\$ 48,274
Management and license fees	536	556	1,457	1,506
Total revenues	<u>16,245</u>	<u>14,886</u>	<u>51,439</u>	<u>49,780</u>
Operating expenses:				
Cost of sales	4,588	4,169	14,550	13,694
Restaurant payroll and related	6,233	5,909	19,168	18,914
Restaurant operating	2,923	2,395	8,847	8,231
Occupancy	1,438	1,479	4,324	4,659
General and administrative	1,602	1,427	4,717	4,656
Depreciation and amortization	958	1,037	2,913	3,195
Pre-opening costs	-	-	269	10
Abandoned projects	24	-	281	-
Loss on investment in joint venture	-	66	78	66
Total operating expenses	<u>17,766</u>	<u>16,482</u>	<u>55,147</u>	<u>53,425</u>
Loss from operations	(1,521)	(1,596)	(3,708)	(3,645)
Interest, net	(412)	(544)	(1,227)	(1,074)
Loss before income taxes	(1,933)	(2,140)	(4,935)	(4,719)
Provision for income taxes	(52)	(48)	(147)	(142)
Net loss	<u>(1,985)</u>	<u>(2,188)</u>	<u>(5,082)</u>	<u>(4,861)</u>
Net (income) loss attributable to noncontrolling interests	10	(11)	(60)	92
Net loss attributable to Grill Concepts, Inc.	<u>(1,975)</u>	<u>(2,199)</u>	<u>(5,142)</u>	<u>(4,769)</u>
Preferred dividends accrued	(105)	(94)	(300)	(281)
Net loss applicable to common stock	<u>\$ (2,080)</u>	<u>\$ (2,293)</u>	<u>\$ (5,442)</u>	<u>\$ (5,050)</u>
Net loss per share applicable to common stock:				
Basic	<u>\$ (0.23)</u>	<u>\$ (0.26)</u>	<u>\$ (0.61)</u>	<u>\$ (0.57)</u>
Diluted	<u>\$ (0.23)</u>	<u>\$ (0.26)</u>	<u>\$ (0.61)</u>	<u>\$ (0.57)</u>
Weighted-average shares outstanding:				
Basic	<u>8,918</u>	<u>8,794</u>	<u>8,918</u>	<u>8,799</u>
Diluted	<u>8,918</u>	<u>8,794</u>	<u>8,918</u>	<u>8,799</u>

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

The following tables set forth the reconciliation of net loss to net earnings before interest, taxes, depreciation and amortization (EBITDA), stock based compensation, pre-opening costs, abandoned projects, loss on investment in joint venture, net income (loss) attributable to non-controlling interests and other non-recurring costs:

	Three Months Ended		Nine Months Ended	
	September 26, 2010	September 27, 2009	September 26, 2010	September 27, 2009
Net loss attributable to Grill Concepts, Inc.	\$ (1,975)	\$ (2,199)	\$ (5,142)	\$ (4,769)
Add (deduct):				
Interest, net	412	544	1,227	1,074
Provision for income taxes	52	48	147	142
Depreciation and amortization	958	1,037	2,913	3,195
Stock based compensation	64	166	149	479
Pre-opening costs	-	-	269	10
Abandoned projects	24	-	281	-
Loss on investment in joint venture	-	66	78	66
Net income (loss) attributable to noncontrolling interests	(10)	11	60	(92)
Other non-recurring costs	75	203	273	(257)
Modified EBITDA (as defined)	\$ (400)	\$ (124)	\$ 255	\$ (152)