HOME TOWN BUFFET INC
Form 424B3
December 29, 2006

Table of Contents

Filed pursuant to Rule 424(b)(3)
Registration No. 333-139436

PROSPECTUS

Exchange Offer for $300,000,000
$12^{1}/2$% Senior Notes due 2014

The Notes and the Guarantees

We are offering to exchange $300,000,000 of our outstanding $12^{1}/2$% Senior Notes due 2014, which were issued on November 1, 2006 and which we refer to as the initial notes, for a like aggregate amount of our registered $12^{1}/2$% Senior Notes due 2014, which we refer to as the exchange notes. The exchange notes will be issued under an indenture dated as of November 1, 2006.

The exchange notes will mature on November 1, 2014. We will pay interest on the exchange notes on January 1 and July 1, beginning on January 1, 2007.

The exchange notes are unconditionally guaranteed on a senior unsecured basis by our parent, Buffets Holdings, Inc., and certain of our current and future domestic subsidiaries.

The exchange notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness, senior to all of our existing and future subordinated indebtedness and effectively junior to all our existing and future secured indebtedness, including our new senior secured credit facilities, to the extent of the value of the assets securing such indebtedness.

Terms of the exchange offer

It will expire at 5:00 p.m., New York City time, on January 31, 2007, unless we extend it.

If all the conditions to this exchange offer are satisfied, we will exchange all of the initial notes that are validly tendered and not withdrawn for the exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled Risk Factors commencing on page 21.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where those initial notes were acquired by that broker-dealer as a result of market-making activities or other trading activities. The issuer has agreed that, for a period of 180 days after the expiration date, it will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is December 29, 2006.

TABLE OF CONTENTS

Table of Contents

PROSPECTUS SUMMARY

This summary may not contain all of the information that may be important to you. You should read this summary together with the entire prospectus, including the more detailed information in the financial statements and the accompanying notes appearing elsewhere in this prospectus. Unless the context indicates or requires otherwise, (i) the terms we, our, us and company refer to Buffets Holdings, Inc. and its subsidiaries, including Buffets, Inc., (ii) the term Buffets Holdings refers to Buffets Holdings, Inc., the parent company of Buffets, Inc. and a guarantor of the notes, (iii) the term Buffets refers to Buffets, Inc., our operating subsidiary and the issuer of the notes, (iv) the term Ryan s refers to Ryan s Restaurant Group, Inc. and its subsidiaries, (v) the term Transactions refers to our acquisition of Ryan s and the related transactions, as described under the caption The Ryan s Acquisition and Related Transactions, (vi) the term initial notes refers to the 12 1/2% Senior Notes due 2014 that were issued on November 1, 2006 in a private offering, (vii) the term exchange notes refers to the 12 1/2% Senior Notes due 2014 offered with this prospectus and (viii) the term notes refers to the initial notes and the exchange notes, collectively.

Our fiscal year comprises 52 or 53 weeks divided into four fiscal quarters of twelve, twelve, sixteen and twelve or thirteen weeks. Beginning with the transitional period ended July 3, 2002, we changed our fiscal year so that it ends on the Wednesday nearest June 30 of each year. The fiscal year 2002 transition period consisted of 50 weeks. Ryan s fiscal year ends on the Wednesday nearest December 31, resulting in years of either 52 or 53 weeks. Unless otherwise indicated in this prospectus, (i) information presented on a pro forma basis gives effect to the Transactions, (ii) our financial information for fiscal 2006 presented on a pro forma basis is based upon Ryan s financial information for the last twelve months ended June 28, 2006, the period that is most comparable to our fiscal 2006 and (iii) our financial information for the twelve weeks ended September 20, 2006 on a pro forma basis is based on Ryan s financial information for the last thirteen weeks ended September 27, 2006, the period that is most comparable to our twelve weeks ended September 20, 2006. Ryan s financial information in such periods differs from its historical financial statements included elsewhere in this prospectus.

Our Company

We are one of the largest restaurant operators in the United States and the second largest restaurant company in the family dining segment, operating 668 restaurants in 39 states across the United States. As of September 20, 2006, we and Ryan s operated primarily under the names Old Country Buffet®, HomeTown Buffet®, Ryan s® and Fire Mountain®. Numerous annual surveys conducted by Restaurants and Institutions magazine have shown that consumers consistently rank Old Country Buffet, HomeTown Buffet and Ryan s among the highest perceived value of all restaurants in their class. Since our inception in 1983, we have increased our average unit volumes (AUVs) at a compound annual growth rate (CAGR) of 2.6%. We believe our AUVs are among the top three for our segment. For the twelve weeks ended September 20, 2006, on a pro forma basis, we and Ryan s served over 50.0 million customers, generated net sales of approximately $414.5 million and incurred a net loss of approximately $5.6 million.

We believe the combination of Buffets and Ryan s will create numerous compelling strategic benefits including:

- Complementary brands and businesses,
- Benefits of scale from combined entity,
- Enhanced geographic footprint,
- Potential for significant cost savings,
- Additional upside opportunities primarily from cross-fertilization of best practices, and
- Strong management team.

We maintain a high level of food quality and service in all of our restaurants through uniform operational standards initiated at the corporate level. Our strategy is to offer quality food at an exceptional

Table of Contents

value. Freshness is maintained by preparing food in small batches of six to eight servings at a time, with preparations scheduled by monitoring current customer traffic and applying our proprietary food production forecasting model. Our buffet restaurants employ uniform menus, recipes and ingredient specifications, except for minor differences relating to regional preferences. We offer an extensive menu with approximately 100 menu items at each meal, including entrees, soups, salads, fresh vegetables, non-alcoholic beverages and desserts. Typical entrees include steak, chicken, carved roast beef, ham, shrimp, fish and casseroles. Ryan s offers similar menu items and entrees. We were an early innovator of the scatter bar, a buffet format that we believe reduces the waiting time of customers to access food, thereby enhancing their experience and increases table turns. All of our and Ryan s restaurants serve lunch and dinner seven days a week. All of our restaurants and most of Ryan s restaurants offer breakfast on Saturdays and Sundays.

We have a national footprint of restaurant locations, which are strategically concentrated in high population density regions. Our strong brand awareness in these regions enables us to maximize penetration within such markets and achieve operating and advertising synergies. For example, our advertising and marketing programs in our primary market areas provided media coverage for 71% of our buffet restaurants as of September 20, 2006. In addition, our restaurants are located in high customer traffic venues and include both freestanding units as well as units located in strip shopping centers and malls. As of September 20, 2006, on a pro forma basis, approximately 67% of our restaurants were freestanding units and approximately 33% of our restaurants were located in strip shopping centers or malls.

Our buffet restaurants use an all-inclusive, all-you-can-eat, pricing strategy designed to provide a very high dining value to our customers. Our core proposition of great food at a great value attracts a broad variety of customers, including families, singles and senior citizens. The average guest check in our buffet restaurants for fiscal 2006 and the twelve weeks ended September 20, 2006 were $7.70 and $7.84, respectively, and the average guest check in Ryan s restaurants for its fiscal year ended December 28, 2005, six months ended June 28, 2006 and the nine months ended September 27, 2006, were $8.17, $8.39 and $8.37, respectively. In order to further enhance our guests dining experience, we have focused on providing a level of customer service designed to supplement the self-service buffet format, including such features as limited table-side service and our greeters.

Our buffet restaurants, as well as those of Ryan s, average approximately 10,000 square feet in size and can seat between 220 and 600 people. On average, our buffet restaurants served approximately 6,900 customers per week for fiscal 2006. Ryan s restaurants served approximately 5,700 customers per week for its fiscal year ended December 28, 2005.

Industry Overview

The restaurant industry is one of the largest industries in the United States. According to the National Restaurant Association (NRA), a restaurant trade association, the U.S. restaurant industry will experience its fifteenth consecutive year of real sales growth in 2006. According to Technomic Information Services (Technomic), an independent research organization, the restaurant industry has grown at an average annual rate of 6.7% since 1977. According to the NRA in 2006, the industry will grow by an estimated 5.1% to $511.1 billion in sales from 2005 levels capturing approximately 47.5% of today s food dollar spending. We believe this growth can be attributed to several key lifestyle and demographic trends, including the continued increase in spending on food consumed away from home and restaurant dining, the continued growth in disposable incomes and the general aging of the population.

We operate in the family dining segment of the restaurant industry. According to Technomic, the family dining category is the third largest segment of the restaurant industry, with approximately $32.8 billion in sales in 2005. Sales in this segment are projected to grow at a CAGR of 2.0% for the period from 2005 to 2010, according to Technomic. We believe the family dining category has a loyal customer base, stable characteristics and offers consumers a consistent dining experience with quality food at a lower cost per check than other dining options.

Table of Contents

Our Competitive Strengths

We believe our leading market position, established high value restaurant brands, consistent performance in all business cycles, strong cash flow generation, skilled restaurant managers, low employee turnover, centralized control measures and strong management team will allow us to continue to grow revenue and increase profitability.

Leading Market Position with National Scale. We are one of the largest restaurant operators in the United States. We are the second largest restaurant company in the family dining segment and account for approximately 5% of total sales within this segment. We believe that we benefit from significant operational efficiencies and economies of scale due to our large number of restaurants and our centralized operating and purchasing systems. We believe that we are able to achieve substantial levels of cost savings as a result of our size and related volume purchasing power, particularly with respect to food and beverage raw material costs.

Established, High Value Restaurant Brands. Over our 23 year operating history and Ryan s 28 year operating history, we and Ryan s have developed well-established, highly recognized brands in the geographic areas we serve. In our core markets of Southern California, the upper Midwest, the Chicago area, Detroit and part of the Northeast, Buffets has an aided brand awareness of over 90%, and we and Ryan s have received numerous Best Buffet awards from our customers and from restaurant associations. We strive to consistently provide a convenient, high-quality dining experience to our customers in order to generate frequent visit patterns and brand loyalty. In our core markets, the average Buffets customer visits a Buffets restaurant approximately two to four times per month, which we believe is at the high end of the family dining segment. We believe that average customer visits at Ryan s restaurants are similar to ours. We may locate new restaurants in our existing markets to capitalize on our strong brand awareness and loyal customer base.

Consistent Performance in All Business Cycles. We believe the value we offer our customers, which plays an important role in consumers decision-making process, allows us to perform on a relatively consistent basis even during difficult economic conditions. We have grown AUVs at a CAGR of 2.6% since our inception in 1983. In fiscal 2006, we were able to increase average weekly sales per restaurant by 6.2% over fiscal 2005. We believe the stability in our financial performance is a result of the following business characteristics:

Broad Demographic Appeal. 64% of our customers are in the 25-60 age bracket, which represents approximately 65% of the U.S. population. 53% of our customers are in the 45-60+ age bracket, the fastest growing segment of the U.S. population.

Geographically Balanced. We have more than 600 restaurants across the United States in 39 states, excluding franchised locations. Other than California, which accounts for 18% of our revenues, no single state comprises more than 6% of our revenues on a pro forma basis.

Diversified Food Costs. As a buffet style restaurant with a broad selection of food, we are able to quickly modify our menu in response to changes in customer preferences and rising food costs. Our total food costs represented approximately 34% of our revenues in fiscal 2006, with no individual food product purchase cost accounting for more than 5% of our revenues. Ryan s total food costs represented approximately 35% of its revenues in its fiscal year ended December 28, 2005, with no individual food product purchase cost accounting for more than 7% of its revenues. In the event of an increase in the cost of a particular food product, we and Ryan s are generally able to shift the menu offering to other foods in order to reduce consumption of the higher cost item.

Attractive Unit Level Economics. Our existing restaurants generated average weekly restaurant sales of approximately $53,000 per restaurant for fiscal 2006 and increased average weekly sales per restaurant at a CAGR of 1.7% over the five year period ended June 28, 2006. We believe that the increased sales volume is due to the introduction of new food offerings and more effective advertising. Our AUVs in fiscal 2006 increased 6.2% compared to our AUVs in fiscal 2005.

Strong Cash Flow Generation. Our strong operating results, historically low maintenance capital expenditure and working capital requirements are key drivers of our strong cash flow generation. We believe

3

our and Ryan s restaurants are well-maintained and will require a similar level of maintenance capital expenditures in the near future. Since 2003, our maintenance capital expenditures have averaged approximately 1.0% of restaurant sales. On a pro forma basis for fiscal 2006 and for the twelve weeks ended September 20, 2006, our maintenance capital expenditures would have been approximately 1.7% and 1.6%, respectively, of our revenue.

Skilled Restaurant Managers and Low Turnover. Our most important asset is our people. We believe that a well trained and motivated workforce results in lower turnover, lower operating costs and the ability to consistently grow sales in existing units. Our general managers have an average of eight years experience with us. In fiscal 2006, our buffet restaurant general manager turnover rate was approximately 26% and our overall restaurant management turnover rate was approximately 31%, both of which we believe to be below average industry turnover rates. We are deeply committed to the long-term development of our employees. In fiscal 2006, we spent $3.6 million on training and development. All of our buffet restaurant managers receive extensive training relating to all aspects of restaurant management at Buffets College, our training program operated out of our corporate headquarters. We also initiated a program in 1997 under which we reward managers with trips and other benefits when they exceed specified operating benchmarks. The goal of these programs is for our restaurant managers to develop a strong tie to their community and instill a sense of ownership in their particular restaurant.

Centralized Control Measures. We believe that we and Ryan s maintain a high level of financial controls, service and food quality in all of our buffet restaurants through uniform operational standards initiated at the corporate level. Our centralized systems enable management to evaluate weekly profit and loss statements, sales reports and supplier invoices for each buffet restaurant, allowing us to quickly identify performance trends and monitor key profitability drivers. These systems are supplemented by several performance audit and evaluation programs, including a toll-free guest service line and detailed quarterly restaurant performance audits by multi-unit managers. These ongoing efforts assist management in tracking restaurant performance and customer satisfaction at the individual restaurant level. We believe that centralized coordination of our nationwide network of buffet restaurants assures a consistent level of food quality in our restaurants and enables us to negotiate favorable pricing and terms for major product purchases directly with manufacturers and producers.

Strong Management Team with Equity Ownership. We have attracted and retained an exceptionally talented and complementary executive management team with an average of more than 25 years of experience. Our executive management team has demonstrated strong restaurant operating capabilities by consistently increasing profitability and executing a disciplined growth strategy. Executives who have joined us from Ryan s have an average of 29 years of experience and we believe that they will enable us to continue strengthening our managerial talent. In addition, our management team has fully diluted equity interests (including vested and unvested stock options and phantom equity) of over 8% of Buffets Restaurants Holdings, Inc., the sole shareholder of Buffets Holdings.

Costs Savings Related to the Ryan s Acquisition

While Ryan s units are operated as a separate division in the company, significant focus is being placed on improving operating margins throughout the Ryan s system by means of back-office and corporate support function consolidation, reduction in labor and other costs at Ryan s units, and realization of purchasing synergies between our and Ryan s contracts. We expect to achieve a total of $55.7 million in cost savings on a run rate basis within a year of the closing of the Transactions. Our planned initiatives include:

Back-office and Corporate Support Function Consolidation. The majority of Ryan s corporate and administrative support functions will be consolidated into the existing Buffets systems, processes and operating platform. Certain store-level operational structure and multi-unit management positions at Ryan s, such as restaurant level general manager positions and multi-unit area director positions, will remain intact. Ryan s general and administrative expense was 6.7% of its revenue for the last twelve months ending June 28, 2006 and our general and administrative expense was 4.6% of revenue for fiscal 2006. We estimate that reductions in Ryan s corporate office and executive staff, consolidation of back office and administrative functions, conforming Ryan s management training program to our standard, reduction of Ryan s net worth taxes and elimination of various redundant costs will result in cost savings of approximately $13.9 million. Together with other measures, we expect to achieve approximately $17.9 million in general and administrative cost savings through these initiatives.

Reduction in Labor Costs. Ryan s labor expense was 32.7% of its revenue for the last twelve months ending June 28, 2006 and our labor expense was 28.5% of revenue for fiscal 2006. We believe that we will achieve approximately $9.7 million in cost savings through more cost effective labor scheduling and approximately $7.2 million in cost savings through changes to Ryan s benefit plans to more closely match our benefit plans and certain other measures.

Realization of Purchasing Synergies. On a pro forma basis, our total food cost was approximately $610 million for fiscal 2006, including Buffets food cost of $327.2 million and Ryan s food cost of $282.7 million. We expect to achieve approximately $13.2 million in cost savings by consolidating volumes and selecting from our and Ryan s most cost efficient existing contracts, and to achieve approximately $3.0 million in cost savings through shifting to in-house production of certain products and certain other measures.

Other Costs Reductions. We believe we can achieve other cost savings in the amount of $4.6 million through the discontinuation of certain operating practices at Ryan s units, which management believes are non-industry standard, and conforming certain Ryan s operating practices to Buffets standard. Examples of practices which will be discontinued include extra hourly employee background checks, which generates $1.5 million in savings, and verification and the acceptance of personal checks for payment, which represents approximately $0.7 million in savings. We also expect to achieve approximately $2.0 million in savings by replacing Ryan s safety shoe program with a similar program at our company and the adoption of our smallwares management program at Ryan s.

In addition, we expect to achieve additional cost savings through implementation of select marketing initiatives at Ryan s, further application of best practices across both systems (including food preparation and purchasing), further consolidation of back-office and corporate support function, further reduction in benefit plans and further reduction in hourly turnover.

All the foregoing statements of expected cost savings are forward looking statements. We cannot assure you as to when or if the expected cost savings discussed above will be realized. See Risk Factors Risks Relating to Our Business We may not realize the anticipated benefits of our acquisition of Ryan s and we may face certain challenges regarding the integration of Ryan s and Disclosure Regarding Forward-Looking Statements.

Our Strategy

We plan to continue to improve our operating performance through a focus on same-store sales growth and margin expansion, continued enhancement of operational systems and selectively developing new company-operated restaurants and pursuing strategic tuck-in real estate acquisitions.

Focus on Same-Store Sales Growth and Margin Expansion. We are focused on growing same-store sales and margins through several operational initiatives at the restaurant level. These initiatives include:

Menu Enhancements. We have recently introduced new food products, including fresh steak, breakfast omelets, shrimp and baby-back ribs to our menu in all restaurants and will continue to offer new food products. We have historically instituted modest price increases alongside menu enhancements and the installation of display grills to our restaurants. In fiscal 2006, we increased prices by 6.3% versus the comparable period in fiscal 2005. We typically observe an increase in guest counts as a result of new food introductions.

Display Grill Installation. The display grill features a display-style cooking area in the dining room that is highly visible and easily accessible by our customers. A variety of meats and vegetables are grilled daily and available to customers as part of the buffet price. Customers go to the grill and can select hot off-the-grill steak, chicken, seafood or other grilled items. We began installing the display grill in 2005 and have 12 display grills in operation in our restaurants. From the time we installed our display grills in 2005 through September 20, 2006, we have observed favorable guest count increases in our restaurants in which we have display grills. As of September 20, 2006, Ryan s has over 200 display grills in operation.

Marketing Initiatives. We recently implemented an enhanced marketing campaign that focuses on quarterly food-specific promotions. Recent promotions have featured six or seven day steak, breakfast omelets, Shrimp 5 Ways, and steak and baby back ribs. In the past year, we also have refocused our marketing media mix to achieve a more efficient combination of television, radio and billboard advertising. We believe that the new media plan is achieving a rate of market penetration similar to our prior efforts but at a lower media cost.

Vigilant Cost Management. We intend to continue to refine our operations, with a focus on increasing our labor productivity and food cost management while continuing to offer a positive guest experience.

Continuous Focus on Guest Experience. We have placed significant emphasis on improving the guest experience at our restaurants, including improvements in ambiance, food quality and service. We employ a toll-free number that collects in excess of 100,000 guest comments and responses per year. These guest responses are tabulated into guest satisfaction scores that our senior management uses to measure overall customer experience at its restaurants. We have seen a steady rise in these scores since we implemented the toll free number in April 2004. Management has observed that improvement in guest satisfaction scores are typically a leading indicator of same-store sales growth. Our commitment to improved service is reflected in our incentive plan, as store-level bonus programs are tied to the achievement of various service metrics. We plan on monitoring guest experience at Ryan s under the same system.

Breakfast Daypart Expansion. Breakfast is a profitable Saturday and Sunday daypart segment that is offered in all Buffets restaurants and is currently being implemented in the Ryan s system. We intend on continuing the rollout of breakfast at all Ryan s restaurants with completion anticipated by March 2007. With a minimal capital investment of approximately $5,000 per store, the breakfast daypart generates average incremental annual revenues per store of approximately $125,000.

Continued Enhancement of Operational Systems. Our centralized financial and accounting systems allow us to analyze cost, cash management, customer count and non-financial data to understand key profitability drivers. We see opportunities for further efficiency improvements through our management information systems, including electronic food ordering, improved food cost analysis tools and other restaurant data analyses, such as the ability to monitor all aspects of customer satisfaction and ingredient and supply volume usage. Continuous improvement of these systems should engender a continued higher level of food quality and service across our entire network of restaurants, while providing management with the tools necessary to monitor performance at each individual restaurant.

Selectively Develop New Company-Operated Restaurants and Pursue Strategic Tuck-in Real Estate Acquisitions. We intend to open additional company-operated restaurants in our existing markets with relatively lower risk and higher efficiencies than in areas where we do not have an established market position. By opening restaurants in existing markets, we are able to leverage costs and gain efficiencies, including regional supervision, marketing, purchasing, recruiting and training. We also actively evaluate small buffet operations of 3 to 20 units that could be acquired at attractive values for their real estate and converted into one of our principal restaurant brands. For example, we acquired five J.J. Norths restaurants on August 1, 2006. We believe that our existing human resources, technology, marketing, purchasing and training programs are capable of effectively integrating acquisitions. Targeted acquisitions can provide significant synergies, including the ability to increase purchasing scale, leverage marketing spending, increase brand awareness and spread fixed costs over a larger revenue base.

Table of Contents

The Ryan s Acquisition and Related Transactions

The Ryan s Acquisition. On November 1, 2006, Buffets and Ryan s completed a merger transaction valued at approximately $834.0 million, including debt that was repaid at closing. As a result of this transaction, Ryan s is a wholly-owned subsidiary of Buffets Holdings. We plan to sell or dispose of certain non-core assets consisting of approximately 44 underperforming or previously closed Ryan s restaurants and approximately 13 undeveloped or non-operating properties, which we acquired in the Ryan s acquisition, in our ordinary course of business. See The Ryan s Acquisition and Related Transactions for a more detailed description of the Ryan s acquisition.

The Financing Transactions. In connection with the Ryan s acquisition and the offering of the initial notes,

- We entered into a new $640.0 million credit facility (the New Credit Facility);
- We entered into a sale-leaseback transaction and received gross proceeds in the amount of approximately $566.8 million (the Sale-Leaseback Transaction). In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back;
- Buffets repurchased or redeemed all of its 11.25% senior subordinated notes due 2010 (the 11.25% Notes); and
- Buffets Holdings repurchased all of its 13.875% senior discount notes due 2010 (the 13.875% Notes).

We used the net proceeds from the offering of the initial notes, together with cash on hand, the borrowings from the New Credit Facility and proceeds from the Sale-Leaseback Transaction, to pay the consideration of the Ryan s acquisition, to repay all existing indebtedness of Ryan s, to repay all outstanding indebtedness under Buffets existing amended and restated credit facility (the Existing Credit Facility), repurchase or redeem the 11.25% Notes and repurchase the 13.875% Notes, and pay premiums and prepayment costs, accrued interest and transaction fees and expenses. See Use of Proceeds.

We have summarized below the estimated sources and uses of funds for the Transactions.

Sources of Funds:

		(Dollars in millions)
Cash on hand	$	9.0
New Credit Facility:		
Revolver		5.0
Term loan		530.0
Proceeds from Sale-Leaseback Transaction		566.8
Proceeds from the offering of the initial notes		300.0
Total sources	$	1,410.8

Uses of Funds:

		(Dollars in millions)
Payment of the Ryan s acquisition consideration	$	704.6
Repayment of existing indebtedness of Ryan s		146.9
Repayment of existing indebtedness under the Existing Credit Facility		196.4
Repurchase or redemption of the 11.25% Notes(1)		195.3
Repurchase of the 13.875% Notes(1)		121.5

Transaction fees and expenses		46.1
Total uses	$	1,410.8

(1) See The Ryan s Acquisition and Related Transactions Financing Transactions Tender Offers and Consent Solicitations.

Our Sponsors

Buffets Holdings is a wholly-owned subsidiary of Buffets Restaurants Holdings, Inc. (Buffets Restaurants Holdings), which is currently owned by management and related parties of Caxton-Iseman Capital, Inc. and Sentinel Capital Partners, both New York-based private equity firms. These stockholders acquired Buffets through Buffets Holdings in October 2000 in a buyout from public shareholders.

Caxton-Iseman Capital is a New York-based private equity investment firm specializing in leveraged buyouts. The firm s investment vehicles have current equity capital in excess of $2 billion available for buyout investments. Caxton-Iseman Capital s current portfolio companies have combined sales in excess of $2 billion and combined earnings before net interest expense, taxes, depreciation and amortization of approximately $250 million. The firm was founded in 1993 by Frederick J. Iseman and Caxton Associates. Caxton Associates is a New York investment management firm managing funds in excess of $13 billion. Since the firm s inception in 1993, Caxton-Iseman Capital has made equity investments in the following industries: restaurant, IT services, distribution, heavy and light manufacturing, industrial and consumer services, food service, leisure and gaming, print and database publishing, defense, medical devices, hotel management and agribusiness.

Corporate Information

Buffets is a Minnesota corporation and the issuer of the notes. Buffets Holdings is a holding company incorporated in Delaware and conducts its business through its wholly-owned subsidiary, Buffets. Our principal executive offices are currently located at 1460 Buffet Way, Eagan, Minnesota 55121 and our telephone number is (651) 994-8608.

Table of Contents

Summary of the Exchange Offer

We are offering to exchange $300,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn.

Exchange Offer	We will exchange our exchange notes for a like aggregate principal amount at maturity of our initial notes.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on January 31, 2007, unless we decide to extend it.
Conditions to the Exchange Offer	We will complete this exchange offer only if: there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer, there is no change in the current interpretation of the staff of the Securities and Exchange Commission (the Commission) which permits resales of the exchange notes, there is no stop order issued by the Commission which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939, there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer, and we obtain all the governmental approvals we deem necessary to complete this exchange offer. Please refer to the section in this prospectus entitled The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under The Exchange Offer Exchange Agent. In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes.
Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.

Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your notes by using the guaranteed delivery procedures described under the section of this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes Guaranteed Delivery Procedure.

Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under The Exchange Offer Exchange Agent before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any initial note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled The Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes should not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled U.S. Federal Income Tax Considerations.
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled The Exchange Offer Fees and Expenses.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy certain of our obligations under our registration rights agreement entered into in connection with the offering of the initial notes.
Consequences to Holders Who Do Not Participate in the Exchange Offer	If you do not participate in this exchange offer:
	except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act of 1933, as amended (the Securities Act),
	you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and
	the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

Table of Contents

	You will not be able to require us to register your initial notes under the Securities Act unless: the initial purchasers request us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or you are not eligible to participate in the exchange offer or do not receive freely tradable exchange notes in the exchange offer. In these cases, the registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer. Please refer to the section of this prospectus entitled Risk Factors Your failure to participate in the exchange offer will have adverse consequences.
Resales	It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under Obligations of Broker-Dealers below. To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations: you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto, the exchange notes acquired by you are being acquired in the ordinary course of business, you have no arrangement or understanding with any person to participate in a distribution of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes, you are not an affiliate, as defined in Rule 405 under the Securities Act, of ours, or you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes, and if you are a broker-dealer, initial notes to be exchanged were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes. Please refer to the sections of this prospectus entitled The Exchange Offer Procedure for Tendering Initial Notes Proper Execution and Delivery of Letters of Transmittal,

Risk Factors Risks

	Relating to the Exchange Offer Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes and Plan of Distribution.
Obligations of Broker-Dealers	If you are a broker-dealer (1) that receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuers in the initial offering and not as a result of market making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

Summary of Terms of the Exchange Notes

Issuer	Buffets, Inc.
Exchange Notes	\$300 million aggregate principal amount of $12^1/2$% Senior Notes due 2014. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Maturity Date	November 1, 2014.
Interest	$12^1/2$% per annum, payable semi-annually in arrears on January 1 and July 1, commencing on January 1, 2007.
Guarantees	The notes are unconditionally guaranteed on a senior basis by Buffets Holdings and certain of our current and future domestic subsidiaries.
Ranking	The notes and the guarantees thereof are our and the guarantors senior obligations and rank: effectively junior to all of our and the guarantors existing and future secured indebtedness to the value of the assets securing such indebtedness, equally (pari passu) with any of our and the guarantors existing and future senior indebtedness, and senior to any of our and the guarantors existing and future subordinated indebtedness.
Optional Redemption	We are entitled to redeem some or all of the notes at any time on or after November 1, 2010 at the redemption prices set forth in this prospectus. In addition, prior to November 1, 2010, we may redeem some or all of the notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the make whole premium set forth in this prospectus. We are entitled to redeem up to 35% of the aggregate principal amount of the notes

	until November 1, 2009 with the net proceeds from certain equity offerings at the redemption price set forth in this prospectus.
Certain Covenants	The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to: incur or guarantee additional indebtedness; pay dividends and make other restricted payments; transfer or sell assets; make certain investments; create or incur certain liens; transfer all or substantially all of our assets or enter into merger or consolidation transactions; and enter into transactions with our affiliates.
Absence of a Public Market for the Exchange Notes	The exchange notes are new securities with no established market for them. We cannot assure you that a market for these exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Relating to the Exchange Offer There is no established trading market for the exchange notes.
Form of the Exchange Notes	The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company with U.S. Bank National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus entitled Description of Notes Book Entry; Delivery and Form Exchange of Book Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants.

Risk Factors

Investing in the notes involves substantial risks. You should carefully consider the risk factors set forth under the caption Risk Factors and the other information included in this prospectus prior to making an investment in the notes. See Risk Factors beginning on page 21.

Table of Contents

Summary Historical and Pro Forma Financial Data

Buffets Holdings Summary and Unaudited Pro Forma Consolidated Financial Data

The following table sets forth Buffets Holdings selected historical consolidated financial information for each of the periods indicated. The summary historical consolidated financial and other data set forth below for each of the years in the three-year period ended June 28, 2006 and as of the end of each such year have been derived from Buffets Holdings audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial and other data set forth below for the twelve weeks ended September 21, 2005 and September 20, 2006 and as of September 21, 2005 and September 20, 2006 has been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The summary pro forma financial data has been derived from the unaudited condensed combined pro forma financial statements included elsewhere in this prospectus and has been prepared to give effect to the Transactions.

The summary financial information presented below is not necessarily indicative of results of future operations and should be read in conjunction with Buffets Holdings consolidated financial statements and the related notes, Ryan s consolidated financial statements and related notes and the information included under the captions Management s Discussion and Analysis of Financial Condition and Results of Operations, Selected Historical Financial Data, Unaudited Pro Forma Condensed Combined Financial Information, Use of Proceeds and Capitalization included elsewhere in this prospectus.

	Fiscal Year Ended			Pro Forma Fiscal Year Ended	Twelve Weeks Ended		Pro Forma Twelve Weeks Ended
	June 30, 2004	June 29, 2005	June 28, 2006	June 28, 2006	Sept. 21, 2005	Sept. 20, 2006	Sept. 20, 2006
	(Dollars in thousands, except average guest check and average weekly sales)						
Operating Data:							
Restaurant sales	$ 942,831	$ 926,781	$ 963,161	$ 1,785,586	$ 226,738	$ 221,276	$ 414,451
Restaurant costs	811,577	805,333	829,576	1,590,019	192,016	192,733	373,045
Advertising expenses	25,918	24,166	30,637	30,637	7,183	7,227	7,227
General and administrative expenses	44,898	43,706	44,198	96,765	10,046	9,728	21,114
Shareholders rights repurchase			757	757			
Asset impairment and closed restaurant cost	2,963	6,518	11,987	17,673	256	742	3,851
Merger integration costs						440	440
Operating income	57,475	47,058	46,006	49,735	17,237	10,406	8,774
Interest expense, net(1)	39,185	47,585	51,867	88,383	11,786	13,200	20,401
Loss related to refinancing	4,776	856	647	647	647	243	243
	5,275	1,923					

Loss related to early extinguishment of debt							
Other income	(1,379)	(935)	(994)	(6,091)	(197)	(202)	(1,544)
Income (loss) before income taxes	9,618	(2,371)	(5,514)	(33,204)	5,001	(2,835)	(10,326)
Income tax expense (benefit)	1,648	(187)	(742)	(13,282)	1,877	(1,695)	(4,754)
Net income (loss)	$ 7,970	$ (2,184)	$ (4,772)	$ (19,922)	$ 3,124	$ (1,140)	$ (5,572)
Other Financial Data:							
Capital expenditures(2)	$ 33,007	$ 29,131	$ 31,346	$ 78,590	$ 5,751	$ 6,836	$ 13,575
Supplemental Data:							
EBITDA(3)	$ 82,610	$ 77,461	$ 78,420	$ 106,439	$ 24,062	$ 17,749	$ 22,140
Ratio of earnings to fixed charges(4)	1.2x				1.4x		

Table of Contents

	Fiscal Year Ended			Pro Forma Fiscal Year Ended	Twelve Weeks Ended		Pro Forma Twelve Weeks Ended
	June 30, 2004	June 29, 2005	June 28, 2006	June 28, 2006	Sept. 21, 2005	Sept. 20, 2006	Sept. 20, 2006
	(Dollars in thousands, except average guest check and average weekly sales)						
Balance Sheet Data (at end of period):(5)							
Cash and cash equivalents	$ 26,072	$ 20,662	$ 20,219	$ 6,580	$ 19,901	$ 8,061	$ 6,721
Working capital(6)	(53,451)	(77,014)	(83,909)	(109,830)	(69,621)	(69,823)	(112,775)
Property and equipment, net	149,618	146,653	141,404	302,384	145,363	143,172	297,615
Total debt	498,339	466,194	462,514	835,000	468,762	471,796	835,000
Historical Key Operating Statistics:(7)							
Number of company-owned restaurants (at end of period)	360	354	338	672	355	340	673
Average guest check	$ 7.22	$ 7.42	$ 7.89	$ 8.10	$ 7.76	$ 8.02	$ 8.17
Average weekly sales	$ 49,949	$ 50,273	$ 53,381	$ 49,984	$ 53,451	$ 54,596	$ 49,962
Same-store sales growth	1.3%	(0.6)%	4.6%	2.1%	4.2%	-0.4%	-1.3%

(1) If the blended interest rate on total variable rate debt were 0.125% higher, it would increase our total interest expense by approximately $0.7 million and $0.2 million for the pro forma fiscal year ended June 28, 2006 and pro forma 12 weeks ended September 20, 2006, respectively.

(2) Capital expenditures include new restaurant construction costs, refurbishments and capitalized maintenance costs.

(3) EBITDA represents earnings before depreciation and amortization, net interest expense and income taxes. Other companies may define EBITDA differently and, as a result, our measure of EBITDA may not be directly comparable to EBITDA of other companies. Management believes that the presentation of EBITDA included in this prospectus provides useful information to investors regarding our results of operations because they assist in analyzing and benchmarking the performance and value of our business. Although we use EBITDA as a financial measure to assess the performance of our business, the use of EBITDA is limited because it does not include certain material cash costs, such as interest and taxes, necessary to operate our business. EBITDA included in this prospectus should be considered in addition to, and not as a substitute for, net income (loss) in accordance with GAAP as a measure of performance.

The table below reconciles pro forma EBITDA to pro forma net income (loss), the most directly comparable GAAP measure:

Pro Forma Consolidated Summary Financial Information

	Fiscal Year Ended June 28, 2006				Twelve Weeks Ended September 20, 2006			
	Buffets Holdings, Inc.	Ryan s Restaurant Group, Inc.	Pro Forma Adjustments	Pro Forma Combined	Buffets Holdings, Inc.	Ryan s Restaurant Group, Inc.	Pro Forma Adjustments	Pro Forma Combined
	(Dollars in thousands)							
Net income (loss)	$ (4,772)	$ 25,966	$ (41,116)(a)	$ (19,922)	$ (1,140)	$ 4,203	$ (8,635)(b)	$ (5,572)
Depreciation and amortization	32,067	35,401	(16,208)	51,260	7,384	8,806	(4,125)	12,065
Interest expense, net	51,867	9,392	27,124	88,383	13,200	1,928	5,273	20,401
Income tax expense (benefit)	(742)	12,447	(24,987)	(13,282)	(1,695)	2,189	(5,248)	(4,754)
EBITDA	$ 78,420	$ 83,206	$ (55,187)	$ 106,439(c)(d)	$ 17,749	$ 17,126	$ (12,735)	$ 22,140(c)(d)

(a) Includes $2.3 million of cost reductions. See Note (2) under Unaudited Pro Forma Condensed Combined Financial Information Pro Forma Consolidated Statement of Operations for the Year Ended June 28, 2006.

(b) Includes $0.5 million of cost reductions. See Note (7) under Unaudited Pro Forma Condensed Combined Financial Information Pro Forma Consolidated Statement of Operations for the Twelve Weeks Ended September 20, 2006.

The table below reconciles our historical EBITDA to historical net income (loss), the most directly comparable GAAP measure:

	Fiscal Year Ended			Twelve Weeks Ended	
	June 30, 2004	**June 29, 2005**	**June 28, 2006**	**September 21, 2005**	**September 20, 2006**
	(Dollars in thousands)				
Net income (loss)	$ 7,970	$ (2,184)	$ (4,772)	$ 3,124	$ (1,140)
Depreciation and amortization	33,807	32,247	32,067	7,275	7,384
Interest expense, net	39,185	47,585	51,867	11,786	13,200
Income tax expense (benefit)	1,648	(187)	(742)	1,877	(1,695)
EBITDA	$ 82,610	$ 77,461	$ 78,420	$ 24,062	$ 17,749

(c) Pro forma EBITDA has not been adjusted to exclude items that are not considered by management to be indicative of our underlying results or to reflect the full year impact of certain events. These adjustments include the following:

$11.7 million and $3.1 million of impairment of assets for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$0.6 million and $0.2 million of loss related to refinancing for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$2.6 million and $0.4 million of fees paid to Caxton-Iseman Capital under an advisory agreement and the repurchase of shareholder rights of certain former company employees for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$0.1 million and $0.1 million of deferred rent and sale-leaseback gains reflecting the non-cash portion of straight-line accounting rent, amortization of deferred landlord contributions received for restaurant construction and refurbishments and the amortization of sale leaseback gains for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$1.3 million of loss and ($0.6) million of gain on disposition of assets for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$2.4 million of closed restaurant/new store cash flow impact reflecting the annualization of the opening of new restaurants as if they had been open as of the beginning of the fiscal year and the annualization of certain restaurants closed during the year as if they had been closed as of the beginning of the fiscal year for the fiscal year ended June 28, 2006, and $0.2 million of closed restaurant/new store cash flow impact reflecting the annualization of the opening of new restaurants as if they had been open as of the beginning of the quarter and the annualization of certain restaurants closed during the year as if they had been closed as of the beginning of the quarter for the twelve weeks ended September 20, 2006.

$5.4 million and $0.6 million of closed restaurant costs reflecting the costs of severance paid to employees of restaurants closed during the year and the future rent and other obligations associated with closed restaurants for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$1.2 million and $0.5 million reflecting the annualization of the EBITDA impact from the acquisition of five J.J. Norths restaurants acquired on August 1, 2006 as if they had been acquired on June 30, 2005 and June 29, 2006, respectively, for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively. The total purchase price for the five J.J. Norths restaurants was approximately $3.3 million. During the remainder of fiscal 2007, we plan to spend $3.0 million to convert three of these restaurants to HomeTown Buffet restaurants and one restaurant to a Tahoe Joe s Famous Steakhouse restaurant. The remaining restaurant will continue to operate as a J.J. Norths restaurant.

$0.4 million and $0.1 million of class action suit settlement/legal fees reflecting legal fees paid by us in defense of a wage and hour lawsuit in California, plus approximately $9.8 million for legal fees and settlement costs associated with a collective-action suit filed in the state of Tennessee for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$1.4 million of costs related to retiree medical benefits reflecting the reversal of an adjustment to accrue the total liability associated with an executive retiree medical benefit plan for the fiscal year ended June 28, 2006.

$0.9 million and $0.1 million of pre-opening costs reflecting the costs of food, labor, training and other costs associated with the opening of new restaurants for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively. Going forward, the company plans to curtail new restaurant development at Ryan s.

$0.8 million and 0.2 million of non-cash stock option compensation reflecting the non-cash charge for stock option expense associated with Ryan s adoption of FAS 123(R) for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$0.9 million and $0.8 million of Board oversight costs for strategic alternatives reflecting costs paid to third party consultants and advisors in contemplation of Ryan s strategic alternatives review for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$0.3 million and $0.1 million of land site cancellation costs in G&A reflecting dead site costs incurred as part of Ryan s ongoing restaurant construction and development program for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively. Going forward, the company plans to curtail new restaurant development at Ryan s.

$(3.2) million gain on disposal of assets for the fiscal year ended June 28, 2006.

$0.4 million of merger integration costs associated with the Transactions for the twelve weeks ended September 20, 2006.

(d) Pro forma EBITDA has also not been adjusted to exclude or include the impact of the following items, which are forward looking in nature and may or may not materialize:

$53.3 million and $12.3 million of identified costs savings for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively reflecting:

Approximately $13.9 million and $3.2 million in costs savings through reductions in Ryan s corporate office and executive staff, consolidation of back office and administrative functions and the elimination of various redundant costs and activities, and $1.7 million and $0.4 million through other measures, for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

Approximately $13.2 million and $3.0 million in cost savings through lower costs of food products and supplies by re-negotiating contracts with our principal suppliers and shifting to best practices in purchasing between our and Ryan s purchasing process, and $3.0 million and $0.7 million in cost savings through shifting to in-house production of certain products and certain other measures, for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

$9.7 million and $2.2 million in cost savings through more cost effective labor scheduling, and $7.2 million and $1.7 million in cost savings through changes to Ryan s benefit plan and certain other measures, for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively, and

$4.6 million and $1.1 million will be realized from the migration of certain of Ryan s practices to those of ours for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively. For example, these include $1.5 million and $0.3 million in cost savings through the elimination of certain employee background checks, approximately $2.0 million and 0.5 million in cost savings by changing Ryan s employee safety shoe program and the adoption of our smallwares management program and approximately $0.7 million and $0.2 million in savings by eliminating Ryan s verification and acceptance of personal checks for payment for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively.

Certain statements in this footnote (d) are forward looking statements. See Disclosure Regarding Forward-Looking Statements.

The cost reductions described above exclude $2.3 million and $0.5 million of cost reductions for the fiscal year ended June 28, 2006 and the twelve weeks ended September 20, 2006, respectively. See Notes (a) and (b) above.

(4) Fixed charges is the sum of our interest expense, less interest income, less original issue discount amortization, less debt issuance cost amortization, plus capitalized interest, plus amortized premiums, discounts and capitalized expenses related to indebtedness, plus interest in rental expense. Earnings is the sum of our pre-tax income before minority interest, plus fixed charges, plus amortization of capitalized interest, less capitalized interest, less minority interest in pre-tax income of subsidiaries that had not incurred fixed charges. Earnings were insufficient to cover fixed charges by $2.8 million in the year ended June 29, 2005, $5.6 million in the year ended June 28, 2006, $33.0 million in the pro forma fiscal year ended June 28, 2006, $2.8 million in the twelve weeks ended September 20, 2006 and $10.2 million in the pro forma twelve weeks ended September 20, 2006. Other companies may calculate earnings to fixed charges ratio differently and accordingly our earnings to fixed charges ratio may not be directly comparable to the earnings to fixed charges ratio of other companies.

(5) The pro forma balance sheet data reflects adjustments to give effect to the Transactions.

(6) The table below reconciles our working capital to current assets, the most directly comparable GAAP measure. Other companies may calculate net working capital differently and accordingly our net working capital may not be directly comparable to the net working capital of other companies.

	As of				As of		
	June 30, 2004	**June 29, 2005**	**June 28, 2006**	**Pro Forma as of June 28, 2006**	**Sept. 21, 2005**	**Sept. 20, 2006**	**Pro Forma as of Sept. 20, 2006**
Current assets	89,095	65,102	59,732	76,351	63,183	46,253	70,751
Less cash	26,072	20,662	20,219	6,580	19,901	8,061	6,721
Net current assets	63,023	44,440	39,513	69,771	43,282	38,192	64,031
Current liabilities	118,774	123,470	125,284	200,213	114,919	115,877	187,106
Less: current portion LTD	2,300	2,016	1,862	20,612	2,016	7,862	10,300
Net current liabilities	116,474	121,454	123,422	179,601	112,903	108,015	176,806
Net working capital	$ (53,451)	$ (77,014)	$ (83,909)	$ (109,830)	$ (69,621)	$ (69,823)	$ (112,775)

(7) Reflects data relating to all of our company-owned restaurants, including our buffet and non-buffet concepts.

Table of Contents

Ryan s Summary Consolidated Financial Data

The summary historical consolidated financial information set forth below for each of the years in the three-year period ended December 28, 2005 and as of the end of each such year have been derived from Ryan s audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial and other data set forth below for the nine months ended September 28, 2005 and September 27, 2006 and as of the end of each such period have been derived from Ryan s unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as Ryan s audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

The summary selected financial information presented below is not necessarily indicative of results of future operations and should be read in conjunction with Ryan s consolidated financial statements and the related notes and the information included under the captions Selected Historical Financial Data, Unaudited Pro Forma Condensed Combined Financial Information, Use of Proceeds and Capitalization included elsewhere in this prospectus.

	Fiscal Year Ended			Nine Months Ended	
	December 31, 2003	**December 29, 2004**	**December 28, 2005**	**September 28, 2005**	**September 27, 2006**
	(Dollars in thousands, except average guest check and average weekly sales)				
Consolidated Statement of Earnings Data					
Restaurant sales	$ 805,009	$ 827,015	$ 824,986	$ 628,116	$ 615,763
Cost of sales:					
Food and beverage	283,535	288,083	286,833	219,133	211,419
Payroll and benefits	256,574	267,698	272,043	206,422	200,115
Depreciation	32,047	32,685	33,651	25,133	25,117
Impairment charges	1,414	1,539	6,527	4,065	3,556
Other restaurant expenses	111,914	117,199	132,916	98,610	96,197
Total cost of sales	685,484	707,204	731,970	553,363	536,404
General and administrative expenses	38,600	41,416	49,369	37,501	43,695
Interest expense	10,216	10,640	9,696	7,143	6,389
Royalties from franchised restaurants	(1,503)	(1,161)	(344)	(344)	
Other income, net	(2,709)	(2,602)	(4,430)	(2,889)	(3,736)
Earnings before income taxes	74,921	71,518	38,725	33,342	33,011
Income taxes	25,098	24,592	12,345	11,105	11,149
Net income	$ 49,823	$ 46,926	$ 26,380	$ 22,237	$ 21,862
Earnings per share:					
Basic	$ 1.18	$ 1.12	$ .63	$ .53	$ .52
Diluted	1.14	1.09	.62	.52	.51

Weighted-average shares (in thousands):					
Basic	42,210	41,803	41,969	41,941	42,255
Diluted	43,754	43,235	42,689	42,742	42,715

Table of Contents

	Fiscal Year Ended			Nine Months Ended	
	December 31, 2003	December 29, 2004	December 28, 2005	September 28, 2005	September 27, 2006
	(Dollars in thousands, except average guest check and average weekly sales)				
Selected Other Consolidated Data					
Cash provided by operating activities	$ 94,012	$ 89,542	$ 69,534	$ 61,642	$ 40,058
Property and equipment additions	76,353	75,483	76,455	61,998	18,307
Total assets	651,689	684,346	706,828	706,828	697,260
Long-term debt (including current portion)	196,000	183,000	173,250	173,250	147,000
Shareholders equity	356,940	395,606	423,634	423,634	449,418
Company-owned restaurants open at end of period	334	341	338	339	333
Average guest check	$ 7.66	$ 7.95	$ 8.17	$ 8.23	$ 8.37
Average weekly sales	47,582	47,397	46,588	47,369	46,990
Same-store sales change	0.1%	(0.7)%	(2.6)%	(3.6)%	(1.1)%

Table of Contents

RISK FACTORS

You should carefully consider the risks described below and the other information in this prospectus before deciding to invest in the notes. If any of the following risks or uncertainties actually occur, our business, financial condition and operating results would likely suffer. Certain statements in Risk Factors are forward-looking statements. See Disclosure Regarding Forward-Looking Statements.

Risks Relating to Our Business

Our core buffet restaurants are a maturing restaurant concept and face intense competition.

Our restaurants operate in a highly competitive industry comprised of a large number of restaurants, including national and regional restaurant chains and franchised restaurant operations, as well as locally-owned, independent restaurants. Price, restaurant location, food quality, service and attractiveness of facilities are important aspects of competition, and the competitive environment is often affected by factors beyond management s control, including changes in the public s taste and eating habits, population and traffic patterns and economic conditions. Many of our competitors have greater financial resources than we have and there are few non-economic barriers to entry. Therefore, new competitors may emerge at any time. We cannot assure you that we will be able to compete successfully against our competitors in the future or that competition will not have a material adverse effect on our operations or earnings.

We have been operating our core buffet restaurant concept for over twenty-three years, and our restaurant locations have a median age of approximately twelve years. As a result, we are exposed to vulnerabilities associated with being a mature concept, including innovations by competitors and out-positioning in markets where the demographics or customer preferences have changed. Mature units require greater expenditures for repair, maintenance, refurbishments and re-concepting, and we will be required to continue making such expenditures in the future in order to preserve traffic at many of our restaurants. We cannot be sure that these expenditures, particularly for remodeling and refurbishing, will be successful in preserving or building guest counts.

If our competitors in the casual dining, mid-scale and quick-service segments respond to any economic changes by adopting discount pricing strategies, they could have the effect of drawing customers away from companies such as ours that do not routinely engage in discount pricing, thereby reducing sales and pressuring margins. Because certain elements of our cost structure are fixed in nature, particularly over shorter time horizons, changes in marginal sales volume can have a more significant impact on our profitability than for a business operating in a more variable cost structure.

We are dependent on attracting and retaining qualified employees while controlling labor costs.

We operate in the service sector and are therefore extremely dependent upon the availability of qualified restaurant personnel. Availability of staff varies widely from location to location. If restaurant management and staff turnover trends increase, we would suffer higher direct costs associated with recruiting, training and retaining replacement personnel. Moreover, we could suffer from significant indirect costs, including restaurant disruptions due to management changeover, increased above-store management staffing and potential delays in new store openings due to staff shortages. Competition for qualified employees exerts pressure on wages paid to attract qualified personnel and raises recruiting expenses, resulting in higher labor costs.

Many of our employees are hourly workers whose wages may be impacted by an increase in the federal or state minimum wage. Proposals have been made at federal and state levels to increase minimum wage levels. An increase in the minimum wage may create pressure to increase the pay scale for our employees. A shortage in the labor pool, competition for employees or other general inflationary pressures or changes could also increase our labor costs.

Furthermore, the operation of buffet-style restaurants is materially different from other restaurant concepts. Consequently, the retention of executive management familiar with our core buffet business is important to our continuing success. The departure of one or more key operations executives or the departure of multiple executives in a short time period could have an adverse impact on our business.

Our workers compensation and employee benefit expenses are disproportionately concentrated in states with adverse legislative climates. Our highest per-employee workers compensation insurance costs are in California, where we retain a large employment presence. Various states have considered legislation that would require large employers to provide health insurance or equivalent funding for workers who have traditionally not been covered by employer health plans. Other potential state and federal mandates, such as compulsory paid absences, increases in overtime wages and unemployment tax rates, stricter citizenship requirements and revisions in the tax treatment of employee gratuities, could also adversely affect our business. Any increases in labor costs could have a material adverse effect on our results of operations and could decrease our profitability and cash available to service our debt obligations, if we were unable to compensate for such increased labor costs by raising the prices we charge our customers or realizing additional operational efficiencies.

We are dependent on timely delivery of fresh ingredients by our suppliers. We are also substantially dependent on a single food supplier.

Our restaurant operations are dependent on timely deliveries of fresh ingredients, including fresh produce, dairy products and meat. The cost, availability and quality of the ingredients we use to prepare our food are subject to a range of factors, many of which are beyond our control. Fluctuations in weather, supply and demand and economic and political conditions could adversely affect the cost, availability and quality of our ingredients. Historically, when operating expenses increased due to inflation or increases in food costs, we recovered increased costs by increasing our menu prices. However, we may not be able to recover increased costs in the future because competition may limit or prohibit such future increases. If our food quality declines due to the lack of, or lower quality of, our ingredients or due to interruptions in the flow of fresh ingredients and similar factors, customer traffic may decline and negatively affect our restaurants results. We rely exclusively on third-party distributors and suppliers for such deliveries. The number of companies capable of servicing our distribution needs on a national basis has declined over time, reducing our bargaining leverage and increasing vulnerability to distributor interruptions.

We rely on a third party supplier to provide approximately 75% of the food products used in our restaurants. If this supplier is unable to perform its agreements with us or if the agreements with this supplier are suddenly and unexpectedly terminated, supply costs could increase and disruptions in distribution could occur during the transition to other food suppliers.

Our restaurant sales are subject to seasonality and major world events.

Our restaurant sales volume fluctuates seasonally. Overall, restaurant sales are generally higher in the summer months and lower in the winter months. Positive or negative trends in weather conditions can have a strong influence on our business. This effect is heightened because many of our restaurants are in geographic areas that experience extremes in weather, including severe winter conditions and tropical storm patterns. Increases in gasoline prices may also have a negative impact on our business as they may decrease customers discretionary spending and their dining out expenditures. Additionally, major world events may adversely affect our business.

Our business is affected by changes in consumer preferences and consumer discretionary spending.

The restaurant industry is affected by consumer preferences and perceptions. If prevailing health or dietary preferences and perceptions cause consumers to avoid our products in favor of alternative or healthier foods, our business could be hurt. In addition, negative publicity about our products could materially harm our business, results of operations and financial condition.

Our success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions, consumer confidence and the availability of discretionary income. Changes in economic conditions affecting our customers could reduce traffic in some or all of our restaurants or limit our ability to raise prices, either of which could have a material adverse effect on our financial condition and results of operations. Accordingly, we may experience declines in sales during economic downturns or periods of prolonged elevated energy prices or due to possible terrorist threats or attacks. Any material decline in consumer confidence or in the amount of discretionary spending could have a material adverse effect on our business, results of operations and financial condition.

Current restaurant locations may become unattractive, and attractive new locations may not be available for a reasonable price, if at all.

The success of any restaurant depends in substantial part on its location. There can be no assurance that current locations will continue to be attractive as demographic patterns change. Neighborhood or economic conditions where restaurants are located could decline in the future, thus resulting in potentially reduced sales in these locations. If we cannot obtain desirable locations at reasonable prices, our ability to effect our growth strategy will be adversely affected.

We face risks associated with government regulations.

In addition to wage and benefit regulatory risks, we are subject to other extensive government regulation at federal, state and local levels. These include, but are not limited to, regulations relating to the sale of food in all of our restaurants and of alcoholic beverages in our Tahoe Joe s Famous Steakhouse® restaurants. We are required to obtain and maintain governmental licenses, permits and approvals. Difficulty or failure in obtaining or maintaining them in the future could result in delaying or canceling the opening of new restaurants or the closing of current ones. Local authorities may suspend or deny renewal of our governmental licenses if they determine that our operations do not meet the standards for initial grant or renewal. This risk would be even higher if there were a major change in the licensing requirements affecting our types of restaurants.

The Federal Americans with Disabilities Act prohibits discrimination on the basis of disability in public accommodations and employment. Mandated modifications to our facilities in the future to make different accommodations for disabled persons could result in material, unanticipated expense.

Application of state Dram Shop statutes, which generally provide a person injured by an intoxicated patron the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person, to our operations, or liabilities otherwise associated with liquor service in our Tahoe Joe s Famous Steakhouse® restaurants, could negatively affect our financial condition if not insured.

Negative publicity relating to one of our restaurants, including our franchised restaurants, could reduce sales at some or all of our other restaurants.

We are, from time to time, faced with negative publicity relating to food quality, restaurant facilities, health inspection scores, employee relationships or other matters at one of our restaurants or those of our franchisees. Adverse publicity may negatively affect us, regardless of whether the allegations are valid or whether we are liable. In addition, the negative impact of adverse publicity relating to one restaurant may extend beyond the restaurant involved to affect some or all of our other restaurants. If a franchised restaurant fails to meet our franchise operating standards, our own restaurants could be adversely affected due to customer confusion or negative publicity. A similar risk exists with respect to totally unrelated food service businesses, if customers mistakenly associate such unrelated businesses with our own operations.

Food-borne illness incidents could result in liability to us and could reduce our restaurant sales.

We cannot guarantee that our internal controls and training will be fully effective in preventing all food-borne illnesses. Furthermore, our reliance on third-party food processors makes it difficult to monitor food safety compliance and increases the risk that food-borne illness would affect multiple locations rather than single restaurants. Some food-borne illness incidents could be caused by third-party food suppliers and transporters outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, such as bovine spongiform encephalopathy (BSE), sometimes referred to as mad cow disease, that could give rise to claims or allegations on a retroactive basis. In addition, the levels of chemicals or other contaminants that are currently considered safe in certain foods may be regulated more restrictively in the future or become the subject of public concern.

The reach of food-related public health concerns can be considerable due to the level of attention given to these matters by the media. Local public health developments and concerns over diseases such as avian flu and E. coli could have a national adverse impact on our sales. Similarly, concerns related to particular food constituents or the byproducts of cooking processes could also have an adverse impact. This could occur whether or not the developments are specifically attributable to our restaurants or those of our franchisees or competitors.

Any negative development relating to our self-service food service approach would have a material adverse impact on our primary business.

Our buffet restaurants utilize a service format that is heavily dependent upon self-service by our customers. Food tampering by customers or other events affecting the self-service format could cause regulatory changes or changes in our business pattern or customer perception. Any development that would materially impede or prohibit our continued use of a self-service approach, or reduce the appeal of self-service to our guests, would have a material adverse impact on our primary business.

We face risks associated with environmental laws.

We are subject to federal, state and local laws, regulations and ordinances relating to the protection of the environment, including those that govern the cleanup of contaminated sites and activities or operations that may have adverse environmental effects, such as discharges to air and water, as well as handling and disposal practices for solid and hazardous wastes. These laws and regulations may impose liability for the costs of cleaning up, and damage resulting from, sites contaminated by past spills, disposals or other releases of hazardous materials. We could incur such liabilities, including resulting cleanup costs, regardless of whether we lease or own the restaurants or land in question and regardless of whether such environmental conditions were created by us or resulted from historical operations of a prior owner or tenant or other third parties. We cannot guarantee that our obligations relating to environmental conditions relating to our prior, existing or future restaurants or restaurant sites will not have a material adverse affect on us.

We face risks because of the number of restaurants that we lease.

Our success depends in part on our ability to secure leases in desired locations at rental rates we believe to be reasonable. We currently lease all of our restaurants located in shopping centers and malls, and we lease the land for all but one of our freestanding restaurants. We also lease the buildings for some of our freestanding locations. By December 2009, approximately 50 of our current leases will have expiring base lease terms and be subject to renewal consideration. Each of our lease agreements provides that the lessor may terminate the lease for a number of reasons, including our default in any payment of rent or taxes or our breach of any covenant or agreement in the lease. Termination of any of our leases could harm our results of operations and, as with a default under any of our indebtedness, could have a material adverse impact on our liquidity. Although we believe that we will be able to renew the existing leases that we wish to extend, there is no assurance that we will succeed in obtaining extensions in the future at rental rates that we believe to be reasonable or at all. Moreover, if some locations should prove to be unprofitable, we could remain obligated for lease payments even if we decided to withdraw from those locations. We will incur special charges relating to the closing of such restaurants, including lease termination costs. Impairment charges and other special charges will reduce our profits.

We may not be able to protect our trademarks and other proprietary rights.

We believe that our trademarks and other proprietary rights are important to our success and our competitive position. Accordingly, we devote substantial resources to the establishment and protection of our trademarks and proprietary rights. However, the actions taken by us may be inadequate to prevent imitation of our brands, proprietary rights and concepts by others, which may thereby dilute our brands in the marketplace or diminish the value of such proprietary rights, or to prevent others from claiming violations of their trademarks and proprietary rights by us. In addition, others may assert rights in our trademarks and other

Table of Contents

proprietary rights. Our exclusive rights to our trademarks are subject to the common law rights of any other person who began using the trademark (or a confusingly similar mark) prior to both the date of our registration and our first use of such trademarks in the relevant territory. For example, because of the common law rights of such a preexisting restaurant in portions of Colorado and Wyoming, our restaurants in those states use the name Country Buffet®. We cannot assure you that third parties will not assert claims against our intellectual property or that we will be able to successfully resolve such claims. Future actions by third parties may diminish the strength of our restaurant concepts trademarks or other proprietary rights and decrease our competitive strength and performance. We could also incur substantial costs to defend or pursue legal actions relating to the use of our intellectual property, which could have a material adverse affect on our business, results of operation or financial condition.

We may not realize the anticipated benefits of our acquisition of Ryan s and we may face certain challenges regarding the integration of Ryan s.

We expect that we will realize cost savings and other financial and operating benefits as a result of our acquisition of Ryan s. However, we cannot predict with certainty when these cost savings and benefits will occur or the extent to which they actually will be achieved, if at all. Additionally, the successful integration of Ryan s will depend primarily on our ability to manage the operations of the combined company, which will require our management to devote a significant amount of time to such integration. A prolonged diversion of management s attention and any delays or difficulties encountered in connection with the integration of Ryan s business or realization of material expected synergies could hurt our business, results of operations and financial condition.

We may also be subject to unexpected claims and liabilities arising from the acquisition of Ryan s. These claims and liabilities could be costly to defend and could be material in amount, which could have an adverse impact on our business, results of operations and financial condition.

Complaints or litigation may hurt us.

We are from time to time subject to employee claims alleging injuries, wage and hour violations, discrimination, harassment or wrongful termination. In recent years, a number of restaurant companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace, employment and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Currently, we and Ryan s are the subjects of respective collective-action lawsuits that are described in the section Business Legal Proceedings. Regardless of whether any claims against us are valid or whether we are ultimately determined to be liable, claims may be expensive to defend and may divert time and money away from our operations and hurt our financial performance. A significant judgment for any claim(s) could materially adversely affect our financial condition or results of operations.

We are controlled by a single shareholder and its interests may conflict with yours.

Through their ownership of approximately 80.6% of outstanding common stock of Buffets Restaurants Holdings, Caxton-Iseman Investments L.P. and its affiliates control, and will likely continue to exercise control over, our business by virtue or their voting power with respect to the election of our directors. Our majority shareholder may authorize actions that are not in your best interests, and, in general, its interests may not be fully aligned with yours.

Risks Relating to Our Substantial Indebtedness and Other Liabilities

Our indebtedness may limit our cash flow available to invest in our business, which could prevent us from fulfilling our obligations under the notes.

We have substantial debt service obligations. As of September 20, 2006, on a pro forma basis, after giving effect to the offering of the initial notes and other Transactions, our long-term debt would have been

Table of Contents

$835.0 million, and our shareholders deficit would have been approximately $133.1 million. We may also incur additional debt in the future, subject to certain limitations contained in our debt instruments.

The degree to which we are leveraged could have important consequences, including:

- the impairment of our ability to obtain additional financing in the future for working capital, capital expenditures, for, among other items, restaurant development and refurbishment, acquisitions, general corporate purposes or other purposes,
- a significant portion of our cash flow from operations must be dedicated to the payment of principal and interest on our debt, which reduces the funds available to us for our operations,
- some of our debt is, and will continue to be, at variable rates of interest, which may result in higher interest expense in the event of increases in interest rates, and
- our debt contains, and any refinancing of our debt likely will contain, financial and restrictive covenants, the failure to comply with which may result in an event of default which, if not cured or waived, could have a material adverse effect on us.

The indenture governing the notes and the terms of our New Credit Facility contain various covenants which limit the discretion of our management in operating our business and could prevent us from engaging in some beneficial activities.

The indenture governing the notes and the terms of the New Credit Facility contain various restrictive covenants that limit our management s discretion in operating our business. In particular, these agreements include covenants relating to limitations on:

- dividends on, and redemptions and repurchases of, capital stock,
- liens and sale-leaseback transactions,
- loans and investments,
- debt and hedging arrangements,
- mergers, acquisitions and asset sales,
- transactions with affiliates, and
- changes in business activities conducted by us and our subsidiaries.

In addition, our New Credit Facility requires us to maintain certain financial ratios. It also limits our ability to make capital expenditures. See Description of Credit Facility.

If we fail to comply with the restrictions of the indenture governing the notes or the terms of our New Credit Facility or any other subsequent financing agreements, a default may allow the creditors, if the agreements so provide, to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. The lenders may also be able to terminate any commitments they had made to supply us with further funds. Accordingly, we may not be able to fully repay our debt obligations, if some or all of our debt obligations are accelerated upon an event of default.

We have substantial operating lease obligations. Our operating leases contain terms that could limit our ability to manage our business and result in the termination of our leases.

We have substantial operating lease obligations. On a pro forma basis, we estimate that our operating lease obligations will be approximately $532.6 million for fiscal years 2007 through 2011. Operating leases are not treated as indebtedness under the indenture governing the notes and we are not restricted from entering into any operating leases. For more information, see Management s Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations and The Ryan s Acquisition and Related Transactions Financing Transactions The Sale-Leaseback Transaction.

Table of Contents

In connection with the Ryan s acquisition and the offering of the initial notes, we entered into the Sale-Leaseback Transaction and received gross proceeds in the amount of approximately $566.8 million. In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back. In connection with the Sale-Leaseback Transaction and the other Transactions, we incurred significant federal, state and local tax liabilities, which we estimate will result in cash payments of between $30 million and $40 million over the next 18 months.

The leases under the Sale-Leaseback Transaction require our subsidiaries that are tenants under these leases to maintain a fixed coverage ratio. This covenant could limit our ability to manage our business and restrict us from taking actions that may be beneficial to our business. If our subsidiaries that are tenants are not able to maintain the fixed coverage ratio or otherwise comply with the terms of the leases, the landlords under their respective leases may terminate our right to possession without terminating the leases and also pursue all other remedies available to the landlords pursuant to law or judicial decision under laws of the applicable state. Any such termination of the leases or our right to possession, acceleration or exercise of other applicable remedy by the landlords would have a material adverse affect on us.

We may not be able to generate sufficient cash flow to meet our debt service and operating lease obligations, including payments on the notes.

Our ability to generate sufficient cash flow from operations to make payments on our debt and operating lease obligations will depend on our future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations to satisfy our debt and operating lease obligations, including payments on the notes, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold or if sold, of the timing of the sales and the amount of proceeds realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. Our inability to generate sufficient cash flow to satisfy our debt and operating lease obligations, or to refinance or renegotiate our obligations on commercially reasonable terms, would have an adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations on the notes.

Risks Relating to the Exchange Notes

The exchange notes are unsecured and effectively subordinated to our secured indebtedness.

The exchange notes are unsecured. The New Credit Facility (and any refinancing of it) is secured by substantially all of the personal and material owned real assets of the borrower and each of the guarantors under the New Credit Facility. If we become insolvent or are liquidated, or if payment under the New Credit Facility or any of our other secured debt obligations is accelerated, our lenders will be entitled to exercise the remedies available to a secured lender under applicable law and will have a claim on those assets before the holders of the notes. As a result, the exchange notes are effectively subordinated to our secured indebtedness to the extent of the value of the assets securing that indebtedness and the holders of the exchange notes may recover ratably less than the lenders of our secured debt in the event of our bankruptcy or liquidation. As of September 20, 2006, on a pro forma basis, after giving effect to the Transactions, we would have had approximately $530.0 million of senior secured indebtedness outstanding under the term loan facility of the New Credit Facility, and approximately $5.0 million outstanding under the revolving credit facility of the New Credit Facility and would have had $35.0 million of the revolving credit facility and $17.9 million of the pre-funded letter of credit facility available. Accordingly, there can be no assurance that there will be sufficient assets remaining after satisfying our obligations under our senior secured debt to pay amounts due on the exchange notes.

Increases in market interest rates will increase our debt service obligations.

A portion of our debt, including the indebtedness under our New Credit Facility, bears interest at variable rates. An increase in the interest rates on our debt will reduce our funds available to repay the exchange notes and our other debt and to finance our operations and future business opportunities and, as a result, will intensify the consequences of our leveraged capital structure. As of September 20, 2006, on a pro forma basis after giving effect to the Transactions, $535.0 million of our total outstanding debt would bear interest at variable rates.

There is no established trading market for the exchange notes.

The exchange notes are new securities for which there is currently no established market, and we cannot be sure if an active trading market will develop for the exchange notes, if any. We do not intend to apply for listing of the exchange notes on any securities exchange or on any automated dealer quotation system. The initial purchasers of the notes were Credit Suisse Securities (USA) LLC, UBS Securities LLC, Goldman, Sachs & Co. and Piper Jaffray & Co. Although we were informed by the initial purchasers as of the issue date of the initial notes that they intended to make a market for the exchange notes, they are not obligated to do so and any market-making may be discontinued at any time without notice. In addition, market-making activity may be limited during the pendency of the exchange offer or the effectiveness of the exchange offer registration statement.

The liquidity of, and trading market for, the notes, and, if issued, the exchange notes, may also be adversely affected by, among other things:

- changes in the overall market for high yield securities,
- changes in our financial performance or prospects,
- the prospects for companies in our industry generally,
- the number of holders of the notes,
- the interest of securities dealers in making a market for the notes, and
- prevailing interest rates.

We may not be able to fulfill our repurchase obligations in the event of a change of control.

Any change of control would constitute a default under the New Credit Facility. Therefore, upon the occurrence of a change of control, the lenders under our New Credit Facility would have the right to accelerate their loans, and we would be required to prepay all of our outstanding obligations under our New Credit Facility. In addition, subject to certain limited exceptions, our New Credit Facility prohibits us from purchasing any notes. If we do not repay all borrowings under our New Credit Facility or obtain a consent from our lenders under the New Credit Facility, we will be prohibited from purchasing the notes.

Moreover, upon the occurrence of any change of control, we will be required to make a change of control offer under the exchange notes. If a change of control offer is made, there can be no assurance that we will have available funds sufficient to pay the change of control purchase price for any or all of the exchange notes that might be delivered by holders of the notes seeking to accept the change of control offer and, accordingly, none of the holders of the exchange notes may receive the change of control purchase price for their exchange notes. Our failure to make or consummate the change of control offer or pay the change of control purchase price when due would give the trustee and the holders of the exchange notes the rights described under Description of the Notes Defaults.

It may be difficult for the holders of exchange notes to ascertain that a change of control has occurred, leading to uncertainty as to whether a holder of exchange notes may require us to repurchase the exchange notes.

The definition of change of control includes a disposition of all or substantially all of our assets. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of our assets. As a result, it may be unclear as to whether a change of control has occurred and whether a holder of exchange notes may require us to make an offer to repurchase the exchange notes. See Description of the Notes Change of Control.

We may enter into certain transactions that would not constitute a change of control but that result in an increase of our indebtedness.

Subject to limitations under the indenture governing the notes and the New Credit Facility we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control under the indenture governing the notes and the New Credit Facility, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings in a way that adversely affects the holders of the notes. See Description of the Notes Change of Control.

Fraudulent conveyance laws could void our obligations under the exchange notes.

Our incurrence of debt under the exchange notes may be subject to review under federal and state fraudulent conveyance laws if a bankruptcy, reorganization or rehabilitation case or a lawsuit, including circumstances in which bankruptcy is not involved, were commenced by, or on behalf of, our unpaid creditors at some future date. Federal and state statutes allow courts, under specific circumstances, to void the exchange notes and require noteholders to return payments received from us.

An unpaid creditor or representative of creditors could file a lawsuit claiming that the issuance of the exchange notes constituted a fraudulent transfer. To make such a determination, a court would have to find either that we (a) issued the exchange notes with the actual intent to hinder, delay or defraud creditors or (b) that we did not receive fair consideration or reasonably equivalent value for the exchange notes and that, at the time the exchange notes were issued, we:

were insolvent,

were rendered insolvent by the issuance of the exchange notes,

were engaged in a business or transaction for which our remaining assets constituted unreasonably small capital, or

intended to incur, or believed that we would incur, debts beyond our ability to repay those debts as they matured.

The measure of insolvency for these purposes will vary depending upon the law of the jurisdiction being applied. Generally, however, a company will be considered insolvent for these purposes if the sum of that company s debts is greater than all of that company s property, at a fair valuation, or if the present fair salable value of that company s assets is less than the amount that will be required to pay its probable liability on its existing debts as they become absolute and matured. We cannot determine in advance what standard a court would apply to determine whether we were insolvent in connection with the sale of the exchange notes.

If a court were to find that the issuance of the exchange notes constituted a fraudulent transfer, the court could void all or a portion of our obligations under the exchange notes, subordinate the claim in respect of the exchange notes to our other existing and future indebtedness or take other actions detrimental to you as a holder of the exchange notes, including in certain circumstances, invalidating the exchange notes.

Table of Contents

Risks Related to the Exchange Offer

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences.

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the Commission contained in Exxon Capital Holdings Corp., Commission no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., Commission no-action letter (June 5, 1991) and Shearman & Sterling, Commission no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under this act. We do not and will not assume, or indemnify you against, this liability.

INDUSTRY AND MARKET DATA

Industry and market data used throughout this prospectus were obtained through company research, surveys and studies conducted by third parties and industry and general publications. The industry and market data provided by Technomics, Inc., an independent research organization, is based on a report issued in March 2006 covering data from 1977 through 2006. The industry and market data provided by National Restaurant Association is based on a report issued in December 2005 covering projected data for 2005 and 2006. We have not independently verified market and industry data from third-party sources. While we believe internal company surveys are reliable and market definitions are appropriate, neither these surveys nor these definitions have been verified by any independent sources.

TRADEMARKS

We have proprietary rights to a number of trademarks important to our business, including Old Country Buffet®, HomeTown Buffet®, Granny s Buffet and Design®, Country Roadhouse Buffet & Grill®, Tahoe Joe s®, Tahoe Joe s Famous Steakhouse and Design®, Country Buffet®, Soup N Salad Unlimited®, Ryan s®, Ryan s Family Steak House®, Mega Bar®, Fire Mountain® and Sensible Choices®. We also have rights in the trademarks JJ North s® and JJ North s Grand Buffet and Design® pursuant to a license from North s Restaurant, Inc.

All other trademarks or service marks referred to in this prospectus are the property of their respective owners and are not our or Ryan s Restaurant Group, Inc. s property.

Table of Contents

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes some forward-looking statements. Forward-looking statements give our and Ryan s current expectations or forecasts of future events. All statements other than statements of current or historical fact contained in this prospectus, including statements regarding our and Ryan s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words anticipate, believe, continue, estimate, expect, intend, may, plan, and similar ex they relate to us and Ryan s, are intended to identify forward-looking statements. In particular, these include, among other things, the factors that are described in the Risk Factors and statements relating 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,
- changes in minimum wage rates,
- availability of food products,
- labor availability, retention and costs,
- employment and environmental laws,
- public health developments including avian flu and E. coli,
- developments affecting the public s perception of buffet-style restaurants,
- real estate availability,
- interest rate fluctuations,
- political environment (including acts of terrorism and wars),
- governmental regulations, and
- inflation.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. They can be affected by inaccurate assumptions we might make or by known or unknown risks, uncertainties and assumptions, including the risks, uncertainties and assumptions described in Risk Factors. In light of these risks, uncertainties and assumptions, the forward-looking statements in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. When you consider these forward-looking statements, you should keep in mind these risk factors and other cautionary statements in this prospectus.

Our forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

THE RYAN S ACQUISITION AND RELATED TRANSACTIONS

The Ryan s Acquisition

On July 24, 2006, Buffets entered into an Agreement and Plan of Merger (the Merger Agreement) by and among Buffets, Ryan s, and Buffets Southeast, Inc., a South Carolina corporation and wholly owned subsidiary of Buffets (Merger Sub). In accordance with the terms of the Merger Agreement, on November 1, 2006, Merger Sub merged with and into Ryan s, with Ryan s remaining as the surviving corporation in a cash transaction valued at approximately $834.0 million, including debt that was repaid at closing. As a result of the Ryan s acquisition, Ryan s is a wholly-owned subsidiary of Buffets Holdings.

Pursuant to the Merger Agreement, at the effective time of the Ryan s acquisition, each issued and outstanding share of Ryan s common stock, par value $1.00 per share (other than shares of common stock owned by Ryan s, Buffets or Merger Sub or any of their respective subsidiaries), was cancelled and automatically converted into the right to receive $16.25 in cash, without interest. Also, at the effective time of the Ryan s acquisition, each outstanding option to purchase Ryan s common stock (all of which were previously vested or vested as a consequence of the Ryan s acquisition) was cancelled and automatically converted into the right to receive the excess, if any, of $16.25 over the option exercise price. The shareholders of Ryan s received an aggregate amount in cash of approximately $704.6 million (the Ryan s Acquisition Consideration). The total acquisition price for the Ryan s acquisition was approximately $834.0 million, which includes the repayment of the existing indebtedness of Ryan s in the aggregate principal amount plus accrued interest and fees together totaling approximately $146.9 million as of November 1, 2006, less Ryan s cash on hand of approximately $17.6 million.

In connection with the Ryan s acquisition and the offering of the initial notes, we entered into the Sale-Leaseback Transaction and received gross proceeds in the amount of approximately $566.8 million. See Financing Transactions The Sale-Leaseback Transaction. In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back.

We plan to sell or dispose of certain non-core assets consisting of approximately 44 underperforming or previously closed Ryan s restaurants and approximately 13 undeveloped or non-operating properties, which we acquired in the Ryan s acquisition, in our ordinary course of business.

Financing Transactions

The Sale-Leaseback Transaction. In connection with the Ryan s acquisition and the offering of the initial notes, we entered into a sale and leaseback transaction with Drawbridge Special Opportunities Fund LP or affiliates (Drawbridge), an affiliate of Fortress Investment Group LLC, involving approximately 275 Ryan s restaurants and seven Buffets restaurants. In this transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to those properties to Drawbridge or its assignee, Realty Income Corporation or its affiliates, and simultaneously leased those properties back pursuant to unitary and individual leases, each for an initial lease term of approximately 20 years, with four renewal terms of five years, except with respect to ground lease sites. The purchase price for the portfolio of sale-leaseback properties was approximately $566.8 million. The annual net rent payable under the leases is equal to the purchase price multiplied by a 10.15% cap rate, subject to annual increases of two times the Consumer Price Index (but in no event greater than 2%), and, if the term of the leases are renewed, subject to further increases during the renewal terms based upon the then current fair market rental value or other methods. We account for these leases as operating leases. The leases include customary assignment and sublease provisions. The annual payments are described in Note (1) to Unaudited Pro Forma Condensed Combined Financial Information Notes to Unaudited Pro Forma Consolidated Statements of Operations. Buffets guarantees the rent payments under the leases. Our subsidiaries that will be tenants under the leases are subject to a fixed charge coverage ratio under the leases.

The New Credit Facility. In connection with the offering of the initial notes and the Ryan s acquisition, we entered into (i) a new bank credit facility consisting of a senior secured term loan facility in an aggregate principal amount of $530.0 million that matures on November 1, 2013 (the Term Facility), (ii) a senior secured revolving credit facility in an aggregate principal amount of $40.0 million that matures on November 1, 2011 (the Revolving Facility) (of which up to $20.0 million is available through a subfacility in the form of letters of credit), and (iii) a senior secured pre-funded synthetic letter of credit facility in an aggregate amount of $70.0 million that matures on May 1, 2013 (the Synthetic Letter of Credit Facility). See Description of Credit Facility New Credit Facility for a more detailed description of the New Credit Facility.

Tender Offers and Consent Solicitations. On September 15, 2006, Buffets Holdings commenced a tender offer and consent solicitation for any and all of its 13.875% Notes and Buffets commenced a tender offer and consent solicitation for any and all of its 11.25% Notes. In conjunction with the tender offers, each of Buffets Holdings and Buffets solicited consents of holders of a majority in aggregate principal amount or principal amount at maturity, as applicable, of the applicable notes to eliminate substantially all of the restrictive covenants and certain events of default in the indentures under which the notes were issued.

On November 1, 2006, Buffets Holdings purchased $106,500,000 in aggregate principal amount at maturity of 13.875% Notes (representing approximately 80.7% of the outstanding 13.875% Notes) and Buffets purchased $178,488,000 in aggregate principal amount of 11.25% Notes (representing approximately 96.7% of the outstanding 11.25% Notes). We paid an aggregate amount of approximately $194.9 million to repurchase the 11.25% Notes and an aggregate amount of approximately $96 million to repurchase the 13.875% Notes. On November 1, 2006, Buffets Holdings purchased $25.5 million in aggregate principal amount at maturity of the 13.875% Notes, which represents all of the 13.875% Notes that remained outstanding after the completion of the tender offer for the 13.875% Notes. Additionally, on December 4, 2006, Buffets redeemed all the 11.25% Notes that remained outstanding after the completion of the tender offer for the 11.25% Notes at a redemption price of $1,056.25 per $1,000 principal amount of 11.25% Notes plus accrued and unpaid interest to the redemption date.

We used the net proceeds from the offering of the initial notes, together with cash on hand, the borrowings from the New Credit Facility and proceeds from the Sale-Leaseback Transaction, to pay the consideration of the Ryan s acquisition, to repay all existing indebtedness of Ryan s, repay all outstanding indebtedness under the Existing Credit Facility, repurchase or redeem the 11.25% Notes and repurchase the 13.875% Notes, and pay premiums and prepayment costs, accrued interest and transaction fees and expenses. See Use of Proceeds.

Table of Contents

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

The net cash proceeds from the sale of the initial notes was approximately $291.5 million, after deducting estimated discounts, fees and expenses.

The proceeds from the sale of the initial notes, together with the borrowings from the New Credit Facility and proceeds from the Sale-Leaseback Transaction and cash on hand, were used to:

- pay the Ryan s Acquisition Consideration;
- repay all existing indebtedness of Ryan s;
- repay all of our existing indebtedness under the Existing Credit Facility;
- repurchase or redeem the 11.25% Notes and repurchase the 13.875% Notes; and
- pay premium costs, accrued interests and transactions fees and expenses incurred in connection with the Transactions.

We have summarized below the estimated sources and uses of funds for the Transactions.

Sources of Funds:

		(Dollars in millions)
Cash on hand	$	9.0
New Credit Facility:(1)		
Revolver		5.0
Term loan		530.0
Proceeds from Sale-Leaseback Transaction		566.8
Proceeds from the offering of the initial notes		300.0
Total sources	$	1,410.8

Uses of Funds:

		(Dollars in millions)
Payment of the Ryan s Acquisition Consideration(2)	$	704.6
Repayment of existing indebtedness of Ryan s(3)		146.9
Repayment of existing indebtedness under the Existing Credit Facility(4)		196.4
Repurchase of the 11.25% Notes(5)		195.3
Repurchase of the 13.875% Notes(5)		121.5
Transaction fees and expenses(6)(7)		46.1
Total uses	$	1,410.8

(1) The New Credit Facility consists of a senior secured term loan facility in an aggregate principal amount of $530.0 million that matures on November 1, 2013, a senior secured revolving credit facility in an aggregate principal amount of $40.0 million that matures on November 1, 2011 (of which up to $20.0 million will be available through a subfacility in the form of letters of credit) and a senior secured pre-funded synthetic letter of credit facility in an aggregate amount of $70.0 million that matures on May 1, 2003. See Description of Credit Facility New Credit Facility for further description of the New Credit Facility.

(2) For a full description of the Ryan s Acquisition Consideration, see The Ryan s Acquisition and Related Transactions.

(3) Ryan s existing indebtedness consisted of a revolving credit facility due December 2009 in the aggregate principal amount of $145.0 million, of which $7.5 million was outstanding and accruing interest at 6.57% as of November 1, 2006, 9.02% senior notes due January 2008 in the aggregate principal amount of

$37.5 million and 4.65% senior notes due July 2013 in the aggregate principal amount of $100.0 million, accrued interest of $1.0 million, and break fees of $0.9 million.

(4) The Existing Credit Facility provided for total borrowings of up to $310.0 million, including (i) a $230.0 million term loan, (ii) a $30.0 million revolving credit facility, (iii) a $20.0 million letter of credit facility, and (iv) a $30.0 million synthetic letter of credit facility. The terms of the Existing Credit Facility permitted us to borrow, subject to availability and certain conditions, incremental term loans or to issue additional notes in an aggregate amount up to $25.0 million. The borrowings under the term loan facility bore interest, at our option, at either adjusted LIBOR plus 3.50% or at an alternate base rate plus 2.50%, subject to a leverage-based pricing grid. The term loan and the synthetic letter of credit facility would have matured on June 28, 2009, while the revolving facility and the letter of credit facilities would have matured on June 28, 2007.

(5) See The Ryan s Acquisition and Related Transactions Financing Transactions Tender Offers and Consent Solicitations.

(6) We paid approximately $40.2 million in commitment, placement and transaction related fees in connection with the New Credit Facility, the offering of the initial notes and the Sale-Leaseback Transaction and approximately $5.9 million in financial advisory fees for both Buffets and Ryan s on November 1, 2006, the closing date of the Ryan s acquisition.

(7) Within 90 days after the closing of the Ryan s acquisition, we plan to pay approximately $37.0 million in fees and related costs associated with the Transactions, including approximately $6.8 million in fees and costs relating to the redemption of the 11.25% Notes, approximately $16.8 million in advisory fees payable to Caxton-Iseman Capital and approximately $13.4 million in consulting, advisory or professional fees relating to legal or accounting services. We expect to pay these fees with cash on hand and additional borrowings from the revolving portion of the New Credit Facility.

Table of Contents

CAPITALIZATION

The following table sets forth the cash and cash equivalents and the consolidated capitalization of Buffets Holdings as of September 20, 2006:

on an actual basis; and

on a pro forma basis to reflect the offering of the initial notes and other Transactions and the application of the related net proceeds to us therefrom as described in Use of Proceeds.

	As of September 20, 2006	
	Actual	Pro Forma
	(Dollars in thousands)	
Cash and cash equivalents	$ 8,061	$ 6,721
Indebtedness:		
Existing Credit Facility	$ 187,587	$
11.25% senior subordinated notes due 2010	180,675	
13.875% senior discount notes due 2010	103,534	
New Credit Facility:(1)		
Revolver		5,000
Term loan		530,000
Notes(2)		300,000
Total Indebtedness	471,796	835,000
Total Shareholders deficit	(84,291)	(133,121)
Total Capitalization	$ 387,505	$ 701,879

(1) The New Credit Facility consists of a senior secured term loan facility in an aggregate principal amount of $530.0 million that matures on November 1, 2013, a senior secured revolving credit facility in an aggregate principal amount of $40.0 million that matures on November 1, 2011 (of which up to $20.0 million will be available through a subfacility in the form of letters of credit) and a senior secured pre-funded synthetic letter of credit facility in an aggregate amount of $70.0 million that matures on May 1, 2013. See Description of Credit Facility New Credit Facility for further description of the New Credit Facility.

(2) We are offering to exchange $300 million of our exchange notes in exchange for a like aggregate amount of our initial notes.

37

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following tables present the unaudited pro forma condensed combined financial information of Buffets Holdings as of September 20, 2006 and for the year then ended June 28, 2006 and for the twelve weeks ended September 20, 2006.

The unaudited pro forma condensed combined financial information gives effect to the Transactions, which include:

- the offering of the initial notes;
- the Ryan s acquisition;
- the New Credit Facility;
- the Sale-Leaseback Transaction; and
- the application of the proceeds from the offering of the initial notes, together with cash on hand, the borrowings from the New Credit Facility and the proceeds from the Sale-Leaseback Transaction, to pay the consideration of the Ryan s acquisition, repay all existing indebtedness of Ryan s, repay all outstanding indebtedness under the Existing Credit Facility, repurchase or redeem the 11.25% Notes and repurchase the 13.875% Notes, and pay premiums and prepayment costs, accrued interests and transactions fees and expenses incurred in connection with the Transactions.

The unaudited condensed combined pro forma balance sheet as of September 20, 2006 gives effect to the above transactions as if they had occurred on September 20, 2006. The unaudited pro forma condensed consolidated statement of operations for the year ended June 28, 2006 gives effect to the above transactions as if they had occurred as of June 30, 2005. The unaudited pro forma condensed consolidated statement of operations for the twelve weeks ended September 20, 2006 gives effect to the above transactions as if they occurred as of June 29, 2006. These pro forma statements include the unaudited condensed combined balance sheet of Ryan s as of September 27, 2006 and the unaudited condensed combined statements of operations of Ryan s for the twelve months ended June 28, 2006 and the thirteen weeks ended September 27, 2006. The date and periods of Ryan s included in the pro forma condensed combined statements are the most comparable to those of Buffets Holdings and may differ from those reflected in Ryan s historical financial statements included elsewhere in this prospectus.

The unaudited pro forma condensed combined consolidated financial information was prepared using the purchase method of accounting. Accordingly, the cost of the acquisition of Ryan s has been allocated to the assets acquired and liabilities assumed based upon management s preliminary estimate of their respective fair values as of the date of acquisition. Any differences between the fair value of the consideration issued and the fair value of the assets and liabilities acquired will be recorded as goodwill. The amounts allocated to acquired assets and liabilities in the Unaudited Pro Forma Condensed Combined Financial Statements are based on management s preliminary estimates. Accordingly, the purchase allocation pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information and are subject to revision based on a final determination of fair value after the closing of the acquisition.

Preparation of the pro forma financial information was based on assumptions deemed appropriate by our management. The pro forma adjustments and certain assumptions are described in the accompanying notes. The pro forma financial information is unaudited and does not purport to be indicative of the results which actually would have occurred if the above transactions had been consummated as described above, nor does it purport to represent the future financial position and results of operations for future periods. The unaudited pro forma financial information should be read in conjunction with Use of Proceeds, Capitalization, Selected Historical Financial Data, Management Discussion and Analysis of Financial Condition and Results of Operations, Buffets Holdings consolidated financial statements and the related notes and Ryan s consolidated financial statements and related notes included elsewhere in this prospectus.

Table of Contents

PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 20, 2006

	Buffets Holdings, Inc.	Ryan s Restaurant Group, Inc.	Pro Forma Adjustment		Pro Forma Combined
		(Dollars in thousands)			
ASSETS					
Current assets:					
Cash and cash equivalents	$ 8,061	$ 18,432	$ (19,772)	(1)	$ 6,721
Receivables	4,485	5,932			10,417
Inventories	18,820	5,045			23,865
Prepaid expenses and other current assets	4,563	2,398	5,143	(2)	12,104
Deferred income taxes	10,324	7,320			17,644
Total current assets	46,253	39,127	(14,629)		70,751
Property and equipment, net	143,172	648,968	(494,525)	(3)	297,615
Goodwill and other intangibles	312,163		269,660	(4)	581,823
Deferred income taxes	13,683		(5,248)	(5)	8,435
Other assets, net	15,326	9,165	24,878	(6)	49,369
Total assets	$ 530,597	$ 697,260	$ (219,864)		$ 1,007,993
LIABILITIES AND SHAREHOLDERS EQUITY (DEFICIT)					
Current liabilities:					
Accounts payable	$ 43,315	$ 5,637	$		$ 48,952
Accrued liabilities	62,686	47,246	17,407	(7)	127,339
Income taxes payable	2,014	2,110	(3,609)	(8)	515
Current maturities of long-term debt	7,862	33,036	(30,598)	(9)	10,300
Total current liabilities	115,877	88,029	(16,800)		187,106
Long-term debt, net of current maturities	463,934	113,964	246,802	(10)	824,700
Deferred lease obligations	28,435				28,435
Deferred income taxes		38,504	48,382	(11)	86,886
Other long-term liabilities	6,642	7,345			13,987
Total liabilities	614,888	247,842	278,384		1,141,114
Total shareholders equity (deficit)	(84,291)	449,418	(498,248)	(12)	(133,121)
Total liabilities and shareholders equity (deficit)	$ 530,597	$ 697,260	$ (219,864)		$ 1,007,993

(1) Reflects the following:

($704,591) for the purchase of approximately 42.4 million shares of outstanding common stock at the merger consideration of $16.25 per share and approximately 2.8 million common stock options at the excess, if any, of the merger consideration of $16.25 per share over the exercise price per share of common stock underlying such option.

$566,770 of gross proceeds from the Sale-Leaseback Transaction. In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back.

39

$830,000 of gross proceeds from the offering of the initial notes and borrowings under the New Credit Facility. This includes $530,000 under the New Credit Facility plus $300,000 under the initial notes. See Description of the Notes and Description of Credit Facility New Credit Facility.

($617,989) due to the repayment of our and Ryan s existing debt and accrued interest as of September 20, 2006, net of revolver drawdown and cash prepayments.

($93,962) of transaction fees and expenses. Transaction fees and expenses include commitment fees and expenses for the new Sale-Leaseback facility, the New Credit Facility, the initial notes, advisory, legal and accounting fees plus break fees on the existing indebtedness that was repaid at close.

(2) Reflects $5,143 of rent pertaining to properties associated with the Sale Leaseback Transaction prepaid at the close of the transaction.

(3) Reflects the book value of $494,525 of assets sold in the Sale-Leaseback Transaction. In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back.

(4) Reflects $269,660 of transaction goodwill and other intangibles associated with the Ryan s acquisition including a fair market value adjustment to property and equipment of $9,239. The allocation of the purchase price to goodwill and other intangibles is based on management s preliminary estimates. Fair value adjustments related to property and equipment and other amounts will impact the final allocation of the purchase price to goodwill.

(5) Reflects deferred income taxes of ($5,248) arising as a result of the transaction adjustments.

(6) Reflects the following:

($8,894) adjustment to write-off our existing debt issuance costs,

($129) of adjustment to write-off Ryan s existing debt issuance costs, and

$33,901 adjustment to record new debt issuance costs related to the initial notes, the New Credit Facility and the Sale-Leaseback Transaction.

(7) Reflects the following:

$10,000 of accrued severance costs for Ryan s senior executives and other merger related costs,

($1,467) of Ryan s accrued interest as of September 20, 2006,

($7,926) due to the repayment of our accrued interest, and

$16,800 in advisory fees payable to Caxton-Iseman after the close of the transaction.

(8) Reflects $(3,557) and $(52) of reduction of income tax payable associated with loss on early extinguishment of Ryan s and our debt, respectively.

(9) Reflects:

($40,898) of repayment of our and Ryan s existing debt and accrued interest as of September 20, 2006,

$5,000 representing as of September 20, 2006, the gross proceeds from borrowings under the New Credit Facility, and

$5,300 representing the current portion of the New Credit Facility.

(10) Reflects:

($577,898) of repayment of our and Ryan s existing debt less current maturities as of September 20, 2006, and

Table of Contents

$824,700 representing $524,700, which is net of $10,300 current portion of long-term debt under the New Credit Facility, plus $300,000 under the initial notes. See Description of the Notes and Description of Credit Facility New Credit Facility.

(11) Reflects the recording of the deferred tax liability of $48,382 from difference in book and tax basis of the assets acquired in the Ryan s acquisition. These assets were sold in the Sale-Leaseback Transaction.

(12) Reflects adjustments to shareholders equity (deficit) as follows:

Elimination of Ryan s equity including:		
Common stock	$	(42,396)
Additional paid in capital		(8,942)
Retained earnings		(398,080)
Other acquisition based expenses, net of tax		(43,416)
Adjustment to the write-off of our existing debt issuance cost, net of tax of $3,723		(5,337)
Loss related to early extinguishment of Ryan s debt, net of tax of $52		(77)
Net adjustment to shareholders equity (deficit)	$	(498,248)

41

Table of Contents

PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended June 28, 2006				Twelve Weeks Ended September 20, 2006			
	Buffets Holdings, Inc.	Ryan s Restaurant Group, Inc.	Pro Forma Adjustments	Pro Forma Combined	Buffets Holdings, Inc.	Ryan s Restaurant Group, Inc.	Pro Forma Adjustments	Pro Forma Combined
	(Dollars in thousands)							
Restaurant sales	$ 963,161	$ 822,425	$	$ 1,785,586	$ 221,276	$ 193,175		$ 414,451
Restaurant costs:								
Food	327,244	282,669		609,913	76,554	66,619		143,173
Labor	274,652	269,061		543,713	62,693	64,984		127,677
Direct and occupancy	227,680	167,394	41,319 (1)	436,393	53,486	39,559	9,150 (6)	102,195
Total restaurant costs	829,576	719,124	41,319	1,590,019	192,733	171,162	9,150	373,045
Advertising expenses	30,637			30,637	7,227			7,227
General and administrative expenses	44,198	54,907	(2,340)(2)	96,765	9,728	11,926	(540)(7)	21,114
Shareholders rights repurchase	757			757				
Closed restaurant costs	6,023			6,023	742			742
Impairment of assets	5,964	5,686		11,650		3,109		3,109
Merger Integration costs					440			440
Operating income	46,006	42,708	(38,979)	49,735	10,406	6,978	(8,610)	8,774
Interest expense	52,242	9,392	26,871 (3)	88,505	13,228	1,928	5,268 (8)	20,424
Interest income	(375)		253 (4)	(122)	(28)		5 (9)	(23)
Loss related to refinancing	647			647	243			243
		(35)		(35)				

Revenues from franchised restaurants								
Other income	(994)	(5,062)		(6,056)	(202)	(1,342)		(1,544)
Income (loss) before income taxes	(5,514)	38,413	(66,103)	(33,204)	(2,835)	6,392	(13,883)	(10,326)
Income tax expense (benefit)	(742)	12,447	(24,987)(5)	(13,282)	(1,695)	2,189	(5,248)(10)	(4,754)
Net income (loss)	$ (4,772)	$ 25,966	$ (41,116)	$ (19,922)	$ (1,140)	$ 4,203	$ (8,635)	$ (5,572)

(1) Reflects pro forma rent expense from the Sale-Leaseback Transaction of $57,527, less a depreciation elimination of ($16,208). In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back under lease terms averaging 20 years.

(2) Reflects reductions in costs due to the following:

Duplicate separate entity public reporting costs and expenses at Ryan s and duplicate board of directors fees and expenses at Ryan s totaling approximately $800,

Elimination of certain senior executives and direct benefit and other compensation costs of $800,

Reduction in net worth taxes at Ryan s in the amount of $340, and

Elimination of duplicate directors and officers liability insurance costs at Ryan s upon the close of the transaction of $400.

(3) Reflects the elimination of historical interest expense of $61,634 and adjustment to pro forma interest expense related to the Transactions of $88,505. If the blended interest rate on total variable rate debt

Table of Contents

were 0.125% higher, it would increase our total interest expense by approximately $0.7 million for the year ended June 28, 2006.

(4) Reflects the adjustment for historical interest income.

(5) Reflects taxes on the pro forma income before income taxes at an assumed tax rate of 37.8%.

(6) Reflects pro forma rent expense from the Sale-Leaseback Transaction of $13,275, less a depreciation elimination of ($4,125). In the Sale-Leaseback Transaction, we sold the land (or, in certain cases, assigned our interest in the ground leased properties pursuant to an assignment of the underlying ground leases) and related improvements with respect to approximately 275 Ryan s restaurants and seven Buffets restaurants and simultaneously leased these properties back under lease terms averaging 20 years.

(7) Reflects reductions in costs due to the following:

Duplicate separate entity public reporting cost and expenses at Ryan s and duplicate board of directors fees and expenses at Ryan s totaling approximately $185.

Elimination of certain senior executives and direct benefit and other compensation costs of $185.

Reduction in net worth taxes at Ryan s in the amount of $78, and

Elimination of duplicate directors and officers liability insurance costs at Ryan s upon the close of the transaction of $92.

(8) Reflects the elimination of historical interest expense of $15,156 and adjustment to pro forma interest expense related to the Transactions of $20,424. If the blended interest rate on total variable rate debt were 0.125% higher, it would increase our total interest expense by approximately $0.2 million for the 12 weeks ended September 20, 2006.

(9) Reflects the adjustment for historical interest income.

(10) Reflects taxes on the pro forma income before income taxes at an assumed tax rate of 37.8%.

Table of Contents

SELECTED HISTORICAL FINANCIAL DATA

Buffets Holdings Selected Historical Financial Data

The following table sets forth Buffets Holdings selected historical consolidated financial information for each of the periods indicated. The summary historical consolidated financial and other data set forth below for each of the years in the three-year period ended June 28, 2006 and as of the end of each such year have been derived from Buffets Holdings audited consolidated financial statements included elsewhere in this prospectus. The historical consolidated financial and other data set forth below for the twelve week period ended September 21, 2005 and September 20, 2006 and as of September 21, 2005 and September 20, 2006 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial and other data set forth below for the fiscal year ended July 2, 2003, the 50 weeks ended July 3, 2002, the 26 weeks ended July 3, 2002 and the 28 weeks ended July 18, 2001 and as of the end of each such period have been derived from the audited financial statements of Buffets Holdings (and its predecessor) not included elsewhere in this prospectus.

The selected financial data presented below are not necessarily indicative of results of future operations and should be read in conjunction with Buffets Holdings consolidated financial statements and the related notes and the information included under the captions Management s Discussion and Analysis of Financial Condition and Results of Operations, Unaudited Pro Forma Condensed Combined Financial Information, Use of Proceeds and Capitalization included elsewhere in this prospectus.

	28 Weeks Ended July 18, 2001	26-Week Transitional Period Ended July 3, 2002	50 Weeks Ended July 3, 2002(1)	Fiscal Year Ended July 2, 2003	June 30, 2004	June 29, 2005	June 28, 2006	Twelve Weeks Ended September 21, 2005	September 20, 2006
	(Dollars in thousands, except average guest check and average weekly sales)								
Operating Data									
Restaurant sales	$ 567,821	$ 527,084	$ 1,003,997	$ 985,286	$ 942,831	$ 926,781	$ 963,161	$ 226,738	$ 221,276
Restaurant costs	481,679	444,345	848,011	850,195	811,577	805,333	829,576	192,016	192,733
Advertising expenses	15,869	14,478	26,526	28,794	25,918	24,166	30,637	7,183	7,227
General and administrative expenses	26,539	25,558	49,311	45,177	42,658	43,706	44,198	10,046	9,728
Shareholders rights repurchase							757		
Closed restaurant costs	153	572	1,143	645	1,085	2,909	6,023	256	742
Goodwill amortization	5,975		4,967						
Merger integration costs									440
Impairment of assets				4,803	1,878	3,609	5,964		
Gain on sale of Original Roadhouse Grill restaurants				(7,088)					

Loss on sale-leaseback transactions				5,856					
Financing-related compensation expenses					2,240				
Operating income	$ 37,606	$ 42,131	$ 74,039	$ 56,904	$ 57,475	$ 47,058	$ 46,006	$ 17,237	$ 10,406
Net income (loss)	$ 5,801	$ (7,517)	$ (763)	$ 11,927	$ 7,970	$ (2,184)	$ (4,772)	$ 3,124	$ (1,140)

Table of Contents

	28 Weeks Ended July 18, 2001	26-Week Transitional Period Ended July 3, 2002	50 Weeks Ended July 3, 2002(1)	Fiscal Year Ended				Twelve Weeks Ended	
				July 2, 2003	June 30, 2004	June 29, 2005	June 28, 2006	September 21, 2005	September 20, 2006
	(Dollars in thousands, except average guest check and average weekly sales)								
ash Flow and ther Financial ata:									
Capital expenditures	$ 20,352	$ 14,280	$ 32,318	$ 25,722	$ 33,007	$ 29,131	$ 31,346	$ 5,751	$ 6,836
Depreciation and amortization	29,007	20,409	44,808	36,885	33,807	32,247	32,067	7,275	7,384
Cash flow from operating activities	35,521	39,250	72,564	57,656	50,490	52,675	49,305	5,749	(4,674)
Cash flow from (used in) investing activities	(21,190)	(11,337)	12,428	26,662	(28,383)	(28,471)	(32,722)	(6,006)	(13,018)
Cash flow from (used in) financing activities	(14,000)	(47,164)	(92,754)	(76,825)	(11,890)	(29,614)	(17,026)	(504)	5,534
Rate of earnings to fixed charges(2)	1.5x		1.1x	1.4x	1.2x			1.4x	
alance Sheet ata (at end of eriod)									
Total assets	$ 670,268	$ 615,672	$ 615,672	$ 552,986	$ 567,531	$ 545,023	$ 538,496	$ 541,458	$ 530,597
Total debt(3)	392,172	493,981	493,981	421,122	498,339	466,194	462,514	468,762	471,796
upplemental ata(4):									
Number of company-owned restaurants (at end of period)	408	393	393	372	360	354	338	355	340
Average guest check	$ 6.84	$ 7.03	$ 7.00	$ 7.13	$ 7.22	$ 7.42	$ 7.89	$ 7.76	$ 8.02
Average weekly sales	$ 49,822	$ 51,044	$ 49,973	$ 48,953	$ 49,949	$ 50,273	$ 53,381	$ 53,451	$ 54,596
Same-store sales change	2.4%	0.2%	(0.9)%	(4.2)%	1.3%	(0.6)%	4.6%	4.2%	(0.4)%

(1) Beginning with the transitional period ended July 3, 2002, we changed our fiscal year so that it ends on the Wednesday nearest June 30 of each year. The fiscal year 2002 transition period consisted of 26 weeks and was divided into two periods of sixteen and ten weeks. Prior to that, our fiscal year ended on the Wednesday nearest December 31 of each year.

(2) Fixed charges is the sum of our interest expense, less interest income, less original issue discount amortization, less debt issuance cost amortization, plus capitalized interest, plus amortized premiums, discounts and capitalized expenses related to indebtedness, plus interest in rental expense. Earnings is the sum of our pre-tax income before minority interest, plus fixed charges, plus amortization of capitalized interest, less capitalized interest, less minority interest in pre-tax income of subsidiaries that had not incurred fixed charges. Earnings were insufficient to cover fixed charges by $11.2 million in the 26-week transitional period ended July 3, 2002, $2.8 million in the year ended June 29, 2005, $5.6 million in the year ended June 28, 2006 and $2.8 million in the twelve weeks ended September 20, 2006. Other companies may calculate earnings to fixed charges ratio differently and accordingly our earnings to fixed charges ratio may not be directly comparable to the earnings to fixed charges ratio of other companies.

(3) Total debt represents the amount of our long-term debt, including current maturities.

(4) Reflects data relating to all of our company-owned restaurants.

Table of Contents

Ryan s Selected Historical Financial Data

The summary historical consolidated financial and other data set forth below for each of the years in the three-year period ended December 28, 2005 and as of the end of each such year have been derived from Ryan s audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial and other data set forth below for the fiscal year ended January 2, 2002 and January 1, 2003, respectively, and as of the end of each such period have been derived from the audited financial statements of Ryan s not included elsewhere in this prospectus. The summary historical consolidated financial and other data set forth below for the nine months ended September 28, 2005 and September 27, 2006 and as of the end of each such period have been derived from Ryan s unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as Ryan s audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

The selected financial data presented below are not necessarily indicative of results of future operations and should be read in conjunction with Ryan s consolidated financial statements and the related notes and the information included under the captions Unaudited Pro Forma Condensed Combined Financial Information, Use of Proceeds and Capitalization included elsewhere in this prospectus.

	Fiscal Year Ended					Nine Months Ended	
	January 2, 2002	**January 1, 2003**	**December 31, 2003**	**December 29, 2004**	**December 28, 2005**	**September 28, 2005**	**September 27, 2006**
	(Dollars in thousands, except average guest check and average weekly sales)						
Consolidated Statement of Earnings Data							
Restaurant sales	$ 745,163	$ 773,817	$ 805,009	$ 827,015	$ 824,986	$ 628,116	$ 615,763
Cost of sales:							
Food and beverage	270,155	275,674	283,535	288,083	286,833	219,133	211,419
Payroll and benefits	226,950	242,191	256,574	267,698	272,043	206,422	200,115
Depreciation	30,238	30,146	32,047	32,685	33,651	25,133	25,117
Impairment charges	3,601	1,607	1,414	1,539	6,527	4,065	3,556
Other restaurant expenses	97,805	102,810	111,914	117,199	132,916	98,610	96,197
Total cost of sales	628,749	652,428	685,484	707,204	731,970	553,363	536,404
General and administrative expenses	38,447	37,263	38,600	41,416	49,369	37,501	43,695
Interest expense	11,687	9,302	10,216	10,640	9,696	7,143	6,389
Royalties from franchised	(1,281)	(1,663)	(1,503)	(1,161)	(344)	(344)	

restaurants														
Other income, net		(2,824)		(2,486)		(2,709)		(2,602)		(4,430)		(2,889)		(3,736)
Earnings before income taxes		70,385		78,973		74,921		71,518		38,725		33,342		33,011
Income taxes		25,339		28,588		25,098		24,592		12,345		11,105		11,149
Net earnings	$	45,046	$	50,385	$	49,823	$	46,926	$	26,380	$	22,237	$	21,862

46

Table of Contents

	Fiscal Year Ended					Nine Months Ended	
	January 2, 2002	**January 1, 2003**	**December 31, 2003**	**December 29, 2004**	**December 28, 2005**	**September 28, 2005**	**September 27, 2006**
	(Dollars in thousands, except average guest check and average weekly sales)						
Earnings per share:							
Basic	$ .98	$ 1.15	$ 1.18	$ 1.12	$ .63	.53	.52
Diluted	.95	1.11	1.14	1.09	.62	.52	.51
Weighted-average shares:							
Basic	45,881	43,680	42,210	41,803	41,969	41,941	42,255
Diluted	47,519	45,518	43,754	43,235	42,689	42,742	42,715
Selected Other Consolidated Data							
Cash provided by operating activities	$ 85,338	$ 82,514	$ 94,012	$ 89,542	$ 69,534	$ 61,642	$ 40,058
Property and equipment additions	52,376	74,208	76,353	75,483	76,455	61,998	18,307
Total assets	583,129	613,079	651,689	684,346	706,828	706,828	697,260
Long-term debt (including current portion)	178,000	202,000	196,000	183,000	173,250	173,250	147,000
Shareholders equity	316,754	320,481	356,940	395,606	423,634	423,634	449,418
Company-owned restaurants open at end of year	313	324	334	341	338	339	333
Average guest check	$ 7.16	$ 7.45	$ 7.66	$ 7.95	$ 8.17	$ 8.23	$ 8.37
Average weekly sales	46,618	47,067	47,582	47,397	46,588	47,369	46,990
Same-store sales change	2.3%	(0.7)%	0.1%	(0.7)%	(2.6)%	(3.6)%	(1.1)%

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the risks described in Risk Factors and elsewhere in this prospectus. You should read the following discussion in conjunction with the information included under the captions Unaudited Pro Forma Condensed Combined Financial Information, Selected Historical Financial Data, and the financial statements and related notes included elsewhere in this prospectus.

Overview

We are one of the largest restaurant operators in the United States and we operate in the family dining segment of the restaurant industry. Our restaurants are principally operated under the names Old Country Buffet® and HomeTown Buffet®. As of September 20, 2006, we had 340 company-owned restaurants and eighteen franchised locations in 35 states.

Buffets was founded in 1983 to develop buffet-style restaurants under the name Old Country Buffet®. In October 1985, Buffets completed its initial public offering and was listed on The NASDAQ National Market. In September 1996, Buffets merged with HomeTown Buffet, Inc., which was developed by one of Buffets co-founders and had 80 company-owned HomeTown Buffet® restaurants in eleven states and nineteen franchised restaurants in eight states. In October 2000, Buffets was acquired by Buffets Holdings, a company organized by Caxton-Iseman Capital, Inc., in a buyout from public shareholders.

On November 1, 2006, Buffets and Ryan s announced that we have completed the previously announced merger of Merger Sub and Ryan s in a cash transaction valued at approximately $834.0 million, including debt that was repaid at closing. Pursuant to the Merger Agreement, Merger Sub merged with and into Ryan s, with Ryan s remaining as the surviving corporation. As a result of the merger, Ryan s became a wholly-owned subsidiary of Buffets. The combined company, called Buffets, Inc. and headquartered in Eagan, Minnesota, operates 668 restaurants in 39 states, principally under the Old Country Buffet®, HomeTown Buffet®, Ryan s® and Fire Mountain® brands. Ryan s operates as a separate division of Buffets and continues to be based in Greer, South Carolina. See Recent Developments below for further discussion of the merger transaction with Ryan s.

Our financial results are significantly impacted by changes in sales at our company-owned restaurants. Changes in sales are largely driven by changes in average weekly guest counts and average guest check. Average weekly guest counts are affected by changes in consumer confidence, competition, economic conditions and unusual weather patterns. We monitor average weekly guest counts very closely, as they directly impact our revenues and profits, and focus substantial efforts on growing these numbers on a same-store basis. Same-store average weekly sales and guest counts are affected by several factors including, our ability to consistently deliver a high-quality, value-priced selection of home-style cooked meals in a clean and pleasant self-service buffet format and the success of our marketing promotions and other business strategies.

Our business model is characterized by a relatively fixed cost structure, particularly in the short term. Accordingly, changes in marginal average weekly sales volume can have a more significant impact on our profitability than for a business operating in a more variable cost structure. Over a longer time horizon, by virtue of our diversified food offerings, we are able to address the semi-fixed element of food cost by modifying our offerings or by highlighting other foods on the menu in order to reduce consumption of the higher cost items. In addition, we monitor our labor costs and hourly employee productivity, as measured by the number of guests served per labor hour, on a weekly basis to ensure that restaurants are responsive in scheduling and managing our labor to varying levels of guest traffic.

Since we acquired Buffets in a buyout from its public shareholders in October 2000, we have focused on improving asset management and optimizing our capital structure. As a result, we have had net closures of 64 restaurants in less attractive locations either through early termination, or non-renewal at lease end, since October 2000.

Table of Contents

Our fiscal year comprises 52 or 53 weeks divided into four fiscal quarters of twelve, twelve, sixteen and twelve or thirteen weeks. Beginning with the transitional period ended July 3, 2002, we changed our fiscal year so that it ends on the Wednesday nearest June 30 of each year. The fiscal year 2002 transition period consisted of 26 weeks and was divided into two periods of sixteen and ten weeks. Prior to that, our fiscal year ended on the Wednesday nearest December 31 of each year and each fiscal year was divided into periods of sixteen, twelve, twelve and twelve or thirteen weeks.

The following is a description of the line items from our consolidated statements of operations and selected financial data:

We recognize as restaurant sales the proceeds from the sale of food and beverages at our company-owned restaurants at the time of such sale. We recognize the proceeds from the sale of gift certificates/cards when the gift certificates/cards are redeemed at our restaurants. Until redemption, the unearned revenue from the sale of gift certificates/cards is included in accrued liabilities on our consolidated balance sheets. Our franchise income includes royalty fees and initial franchise fees received from our franchisee. We recognize royalty fees as other income based on the sales reported at the franchise restaurants.

Restaurant costs reflect only direct restaurant operating costs, including food, labor and direct and occupancy costs. Labor costs include compensation and benefits for both hourly and restaurant management employees. Direct and occupancy costs consist primarily of costs of supplies, maintenance, utilities, rent, real estate taxes, insurance, depreciation and amortization.

Advertising expenses reflect all advertising and promotional costs.

General and administrative expenses reflect all costs, other than advertising expenses, not directly related to the operation of restaurants. These expenses consist primarily of corporate administrative compensation and overhead, district and regional management compensation and related management expenses and the costs of recruiting, training and supervising restaurant management personnel.

Goodwill amortization reflects the amortization of the excess of cost over fair market value of assets and was recognized on a straight line basis over a 30-year life through January 2, 2002. Effective January 3, 2002, we changed our method of accounting for goodwill in accordance with Statement of Financial Accounting Standards No. (SFAS) 142, Goodwill and Other Intangible Assets.

Shareholders rights repurchase reflects the costs associated with the repurchase of certain rights associated with shares of common stock previously held by former management shareholders who separated from the company.

Closed restaurant costs represents costs associated with store closure of underperforming restaurants, including, but not limited to lease termination costs and obligations and employee termination costs.

Impairment of assets reflects fair market adjustments to the carrying value of long-lived assets, primarily comprised of leasehold improvements and equipment.

Financing-related compensation expenses reflect payments to holders of stock options and cash incentive plan units in conjunction with the issuance of our 13.875% Notes in May 2004.

Merger integration costs represent professional fees and employee travel and expenses related to integration activities associated with the merger with Ryan s.

Interest expense reflects interest costs associated with our debt, amortization of debt issuance cost and accretion of original issuance discount on our 11.25% Notes and 13.875% Notes.

Interest income reflects interest earned on our short-term investments.

Loss related to refinancing for fiscal 2004 reflects transaction and other costs associated with the amendment and restatement of our credit agreement on February 20, 2004 and a refinancing that we postponed due to market conditions. Loss related to refinancing for fiscal 2005 represents costs associated with an initial public offering of Income Deposit Securities that was withdrawn due to unfavorable market conditions. Loss related to refinancing for fiscal 2006 represents transaction fees incurred in conjunction with an amendment to our Existing Credit Facility.

Table of Contents

Loss related to the early extinguishment of debt reflects the costs associated with redeeming a portion of Buffets 11.25% Notes prior to their maturity during fiscal years 2004 and 2005.

Other income primarily reflects franchise fees earned, less minority interest associated with our Tahoe Joe s subsidiary. During fiscal 2004, we exercised our call option to acquire the remaining 20% interest in Tahoe Joe s, Inc. from the minority holder.

Income tax expense (benefit) reflects the current and deferred tax provision (benefit) determined in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes.

Recent Developments

The Ryan s Acquisition

On November 1, 2006, Buffets and Ryan s announced that we have completed the previously announced merger of Merger Sub and Ryan s in a cash transaction valued at approximately $834.0 million, including debt that was repaid at closing. Pursuant to the Merger Agreement, Merger Sub merged with and into Ryan s, with Ryan s remaining as the surviving corporation. As a result of the merger, Ryan s became a wholly-owned subsidiary of Buffets.

At the effective time of the Ryan s acquisition, each issued and outstanding share of Ryan s common stock, par value $1.00 per share, was canceled and automatically converted into the right to receive $16.25 in cash, without interest. Also, at the effective time of the Ryan s acquisition, each outstanding option to purchase Ryan s common stock (all of which were vested or vested as a consequence of the Ryan s acquisition) was canceled and automatically converted into the right to receive the excess, if any, of $16.25 over the option exercise price.

Our results of operations do not give effect to the Ryan s acquisition and related transactions. Our future results may not be consistent with our historical results.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and assumptions, including those related to recoverability of long-lived assets, goodwill, self-insurance reserves and income taxes. Management bases its estimates and assumptions on historical experience and on various other factors. Actual results may differ from these estimates and assumptions under different circumstances or conditions.

We believe the following critical accounting policies affect management s significant estimates and assumptions used in the preparation of our consolidated financial statements.

Long-Lived Assets

We test property and equipment for impairment annually or whenever events or circumstances indicate that the carrying amount of a restaurant s assets may not be recoverable. We test for impairment using historical cash flows and other relevant facts and circumstances as the primary basis for its estimates of future cash flows. Assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows, namely as individual restaurants. A restaurant is deemed to be impaired if a forecast of undiscounted future operating cash flows, including disposal value, if any, is less than its carrying amount.

If a restaurant is determined to be impaired, the loss is measured as the amount by which the carrying amount of the restaurant exceeds its fair value. Fair value is based on quoted market prices in active markets, if available. If quoted market prices are not available, we generally measure fair value by discounting estimated future cash flows. This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. Accordingly, actual results could vary significantly from such estimates.

Table of Contents

During fiscal years 2004, 2005 and 2006, we expensed approximately $1.9 million, $3.6 million and $6.0 million, respectively, relating to the impairment of long-lived assets for 17, 29 and 33 restaurants, respectively. There were no impairment charges during the first quarter of fiscal 2006 or 2007.

Goodwill

We test the recoverability of goodwill annually or whenever events or circumstances indicate that the carrying amount may not be recoverable. Goodwill is deemed to be impaired if the fair value of a reporting unit is less than its carrying value. If goodwill is determined to be impaired, the loss is measured as the amount by which the carrying amount of a reporting unit s goodwill exceeds its implied fair value. The fair value of a reporting unit is an estimate based on assumptions regarding its future cash flows. In the event that these assumptions change in the future, we may be required to record impairment charges related to our goodwill. No impairment charges were recorded in fiscal years 2004, 2005 or 2006 or in the first quarter of 2007.

Insurance Reserves

We carry insurance reserves for exposure related to our workers compensation, general liability, medical and dental programs. We effectively self-insure a significant portion of certain risks through the use of large self-insured retentions combined with stop-loss coverage, or by maintaining large deductibles on traditional policies of insurance. The liability represents an estimate of the ultimate cost of claims incurred and unpaid as of the balance sheet date, including both reported claims and claims that have been incurred but not reported. The estimated liability is established based upon historical claims data and third-party actuarial estimates of settlement costs for incurred claims. Our estimates include our judgments and independent actuarial assumptions regarding economic conditions, the frequency and severity of claims and claim development patterns and settlement practices. These estimates and assumptions are monitored and adjusted when warranted by changing circumstances. Changes in these factors may produce materially different amounts of expense and liabilities that would be reported under these insurance programs.

Closed Restaurant Reserve

We maintain a closed restaurant reserve for restaurants that are no longer being utilized in current operations. The closed restaurant costs are principally comprised of our estimates of lease termination costs and obligations, net of sublease and other cash receipts, and employee termination costs. Many factors including the local business environment, other available lease sites, the ability to secure subleases, the creditworthiness of subtenants, and our success at negotiating early termination agreements with lessors are considered in establishing the accruals. Adjustments to the reserve primarily relate to changes in subtenant income or actual exit costs differing from original estimates. Adjustments are made for changes in estimates in the period in which the changes become known. The store closing reserve (current and noncurrent in aggregate) was $1.5 million, $2.8 million and $1.8 million as of June 29, 2005, June 28, 2006 and September 20, 2006, respectively.

We closed nineteen underperforming restaurants in fiscal year 2006 and incurred cash charges related to these restaurant closures of approximately $4.2 million. These charges included approximately $3.4 million related to lease termination costs and obligations, $0.4 million related to employee termination costs and $0.4 million related to other associated costs. Non-cash charges related to these closures were approximately $0.3 million.

The Company closed three underperforming restaurants in the first quarter of fiscal 2007. We incurred cash charges related to these store closures in the first quarter of fiscal 2007 of approximately $0.9 million. These charges included approximately $0.7 million related to lease termination costs and obligations, $0.1 million related to employee termination costs and $0.1 million related to other associated costs.

These charges were expensed as incurred pursuant to SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, and are recorded in closed restaurant costs in the consolidated statements of operations.

Income Taxes

We estimate certain components of our provision for income taxes. These estimates include, among other items, depreciation and amortization expense allowable for tax purposes, allowable tax credits for items such as the Working Opportunity Tax Credit and taxes paid on reported employee tip income, effective rates for state and local taxes, and the tax deductibility of certain other items. Our estimates are based on current tax laws, the best available information at the time of the provision and historical experience. Income tax returns are subject to audit by federal, state, and local governments, generally years after the returns are filed. These returns could be subject to material adjustments or differing interpretations of the tax laws.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between financial reporting amounts and the tax basis of existing assets and liabilities based on currently enacted tax laws and tax rates in effect for the periods in which the differences are expected to reverse. Income tax expense is the tax payable for the quarter, plus or minus the change during the quarter in deferred income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Gift Cards

Historically, Buffets has sold gift certificates to its guests. Beginning in November 2002, Buffets stopped selling paper gift certificates and began selling gift cards. Proceeds from the sale of gift cards are initially recorded as a liability when received. Revenues from the sale of gift cards at our restaurants are recognized upon redemption. In estimating the related gift card liability, we analyze historical trends to derive our estimates of future gift card redemption patterns. The assumptions and activity are closely monitored for changes in escheatment laws and redemption patterns. We adjust our gift card liability based on historical and expected non-redemption trends. These adjustments are classified within direct and occupancy costs in our consolidated statements of operations. Our gift card/certificate liability was $4.1 million, $4.0 million and $3.5 million as of June 29, 2005, June 28, 2006 and September 20, 2006, respectively.

Share-Based Compensation

We are a nonpublic entity, as defined by Statement of Financial Accounting Standards No. 123(R), Share-Based Payment (SFAS 123(R)), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including employee stock options based on estimated fair value on the grant date.

For purposes of determining the estimated fair value of share-based payment awards on the date of grant under SFAS 123(R), we use the Black-Scholes option-pricing model (Black-Scholes Model). The Black-Scholes Model requires the input of certain assumptions that involve judgment. Because our employee stock options have characteristics significantly different from those of traded options, and because changes in the input assumptions can materially affect the fair value estimates, the available option pricing models may not provide a reliable single measure of the fair value of our employee stock options. We are unable to reasonably estimate the fair value of its equity awards and similar instruments because it is not practicable for us to estimate the expected volatility of its share price. Therefore, we calculate volatility based using the historical volatility of publicly traded companies within the family dining segment of the restaurant industry in order to determine the estimated fair value of our equity awards. SFAS 123(R) refers to this method as the calculated value method of estimating fair value on the grant date.

The requirements of SFAS 123(R) apply prospectively to new awards and towards modified, repurchased, or cancelled after the required effective date, which was June 29, 2006, the first day of fiscal year 2007. We are required to continue to account for any portion of awards outstanding as of this date using the accounting principles originally applied to those awards. As such, we will continue to account for those awards outstanding as of the adoption date using the intrinsic value method pursuant to the requirements of APB 25. Subsequent grants and existing awards that are modified, repurchased, or cancelled after the adoption date will be accounted for pursuant to the requirements of SFAS 123(R).

There was no financial statement impact associated with the adoption of SFAS 123(R) and we did not recognize or record any share-based compensation for the twelve-week period ending September 20, 2006.

Table of Contents

Results of Operations

Twelve Week Period Ended September 21, 2005 Compared With Twelve Week Period Ended September 20, 2006

The following discussion reflects our historical results for the 12-week periods ended September 21, 2005 and September 20, 2006. The following discussion should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this prospectus.

	Twelve Weeks Ended	
	September 21, 2005	**September 20, 2006**
	(Dollars in thousands)	
Significant items that impacted results of operations:		
Closed restaurant costs(1)	$ 256	$ 742
Merger integration costs(2)		440

(1) Closed restaurant costs were $0.7 million during the first quarter of fiscal 2007 as compared to $0.3 million for the comparable prior year period. The increase was due in large part due to the closure of three under performing restaurants in the first twelve weeks of fiscal 2007 compared with zero store closures in the comparable prior year period. We incurred cash charges related to these closures of approximately $0.9 million. These charges included approximately $0.7 million related to lease termination costs and obligations, $0.1 million related to employee termination costs and $0.1 million related to other associated costs. The prior year costs represent charges related to stores that had previously closed.

(2) Merger integration costs represent professional fees and employee travel and expenses related to integration activities associated with the merger with Ryan s.

The following table sets forth our results of operations based on the percentage relationship of the items listed to our restaurant sales during the periods shown:

	Twelve Weeks Ended			
	September 21, 2005		**September 20, 2006**	
	(Dollars in thousands)			
Restaurant sales	$ 226,738	100.0%	$ 221,276	100.0%
Restaurant costs	192,016	84.7	192,733	87.1
Advertising expenses	7,183	3.2	7,227	3.3
General and administrative expenses	10,046	4.4	9,728	4.4
Closed restaurant costs	256	0.1	742	0.3
Merger integration costs			440	0.2
Operating income	17,237	7.6	10,406	4.7
Interest expense	11,868	5.2	13,228	6.0
Interest income	(82)	(0.0)	(28)	(0.0)
Loss related to refinancing	647	0.3	243	0.1
Other income	(197)	(0.1)	(202)	(0.1)

Income (loss) before income taxes		5,001	2.2		(2,835)	(1.3)
Income tax expense (benefit)		1,877	0.8		(1,695)	(0.8)
Net income loss	$	3,124	1.4	$	(1,140)	(0.5)

Certain percentage amounts do not sum to total due to rounding.

Restaurant Sales. Restaurant sales decreased $5.5 million, or 2.4%, during the twelve weeks ended September 20, 2006 over the comparable prior year period primarily due to the closure of 22 underperforming restaurants over the last twelve months. Average weekly sales for the first quarter of fiscal 2007 increased approximately 2.1% over the comparable prior year period to $54,596. The improvement in average weekly sales reflects positive guest response to the introduction of display grills in twenty restaurants,

53

and the closure of 22 low sales volume restaurants over the last twelve months. Same-store sales for the twelve weeks ended September 20, 2006 decreased by 0.4% compared to the comparable prior year period. The decrease was comprised of a 3.0% increase in average check, offset by a 3.4% decline in guest traffic.

Restaurant Costs. Restaurant costs for the first quarter of fiscal 2007 increased by 2.4% as a percentage of sales compared with the comparable prior year period. Food costs increased 1.6% as a percentage of sales during the first quarter of fiscal 2007 as compared to the prior year period primarily due to our steak and shrimp offerings. Our steak offerings were introduced in the first quarter of fiscal 2006 and were expanded system-wide during the second quarter of fiscal 2006 and further expanded in frequency to six-to-seven days per week during the third quarter of fiscal 2006. In addition, we expanded the frequency of our shrimp offerings in the third and fourth quarters of fiscal 2006 and we continued to offer shrimp more frequently in the first quarter of fiscal 2007 compared with the prior year period. Labor costs remained flat as a percentage of sales during the first quarter of fiscal 2007 as compared to the prior year period. Direct and occupancy costs increased by 0.8% as a percentage of sales primarily due to tightened sales leverage attributable to reasonably fixed costs on a lower sales base.

Advertising Expenses. Advertising costs increased 0.1% as a percentage of sales during the first quarter of fiscal 2007 versus the comparable quarter in the prior year primarily due to tightened sales leverage, as advertising spend was relatively flat to the prior year in total dollar terms.

General and Administrative Expenses. General and administrative expenses improved slightly but remained flat as a percentage of sales during the first quarter of fiscal 2007 as compared to the 12 weeks ended September 21, 2005, due to tightened sales leverage attributable to reasonably fixed costs on a lower sales base. The improvement in total expense was largely due to lower bonus expense in the first quarter of fiscal 2007 as compared with the comparable prior year period.

Interest Expense. Interest expense increased 0.8% as a percentage of sales during the first quarter of fiscal 2007 versus the comparable prior year period primarily due to rising interest rates on our term loans and the impact of higher accretion of non-cash interest expense on our 13.875% Notes.

Income Taxes. Income taxes decreased 1.6% as a percentage of sales for the twelve weeks ended September 20, 2006 compared to the twelve weeks ended September 21, 2005 principally due to an increase in loss before income taxes resulting in a change in our tax position from tax expense on pretax income in the prior year period to net tax benefits on pretax losses in the first quarter of fiscal 2007. The increase in the projected annualized effective tax rate was largely attributable to the non-deductibility of a portion of the interest on our 13.875% Notes. The increase in accreted interest related to these notes caused the non-deductible portion of this interest to have a greater impact on the effective rate.

2005 Compared With 2006

The following discussion reflects our historical results for the fiscal years ended June 29, 2005 and June 28, 2006. The following discussion should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended	
	June 29, 2005	**June 28, 2006**
	(dollars in thousands)	
Significant items that impacted results of operations:		
Credit card claim settlement(1)	$	$ (715)
Shareholders rights repurchase(2)		757
Closed restaurant costs(3)	2,909	6,023
Impairment of assets(4)	3,609	5,964
Loss related to refinancing(5)	856	647

Loss related to early extinguishment of debt(6)	1,923

(1) Credit card claim settlement reflects funds received from the Visa Check/ MasterMoney Antitrust Litigation class action lawsuit. The settlement was recorded in direct and occupancy costs within the restaurant costs section of the consolidated statement of operations.

(2) Shareholders rights repurchase reflects the costs of the repurchase of certain rights associated with shares of common stock previously held by former management shareholders who separated from the company.

(3) Closed restaurant costs were $6.0 million for fiscal 2006 as compared to $2.9 million for the fiscal 2005. The increase was in large part due to the closure of nineteen under performing restaurants in fiscal 2006 compared with eleven store closures in fiscal 2005. We incurred charges related to these store closures of approximately $4.5 million and $2.1 million in fiscal 2006 and fiscal 2005, respectively. In addition, we incurred charges of approximately $1.5 million and $0.8 million in fiscal 2006 and fiscal 2005, respectively, related to the termination of sublease agreements and other related costs.

(4) We test property and equipment for impairment annually or whenever events or circumstances indicate that the carrying amount of a restaurant s assets may not be recoverable. Assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows, namely as individual restaurants. During fiscal 2006 and 2005, we recognized losses of approximately $6.0 million and $3.6 million, respectively, related to impairments of the carrying value of our long-lived assets for 33 and 29 under performing restaurants, respectively, as the carrying value of these long-lived assets exceeded their fair value.

(5) We incurred approximately $0.9 million of costs related to an initial public offering of Income Deposit Securities that was withdrawn due to unfavorable market conditions during the second quarter of fiscal 2005. Effective as of July 28, 2005, we entered into an amendment to Buffets credit agreement and incurred $0.6 million in transaction fees in the first quarter of fiscal 2006.

(6) During the first quarter of fiscal 2005, we paid approximately $15.7 million to repurchase approximately $14.3 million of Buffets 11.25% Notes at an average price of 106.7%. The difference between the premium purchase price and the discounted carrying value of the 11.25% Notes, as well as the associated write-off of debt issuance costs, was recognized as a loss related to the early extinguishment of debt.

The following table sets forth our results of operations based on the percentage relationship of the items listed to our restaurant sales during the periods shown:

	Year Ended June 29, 2005		**Year Ended June 28, 2006**	
	(dollars in thousands)			
Restaurant sales	$ 926,781	100.0%*	$ 963,161	100.0%*
Restaurant costs	805,333	86.9	829,576	86.1
Advertising expenses	24,166	2.6	30,637	3.2
General and administrative expenses	43,706	4.7	44,198	4.6
Shareholders rights repurchase			757	0.1
Closed restaurant costs	2,909	0.3	6,023	0.6
Impairment of assets	3,609	0.4	5,964	0.6
Operating income	47,058	5.1	46,006	4.8
Interest expense	48,100	5.2	52,242	5.4

Interest income		(515)	(0.1)		(375)	(0.0)
Loss related to refinancing		856	0.1		647	0.1
Loss related to early extinguishment of debt		1,923	0.2			
Other income		(935)	(0.1)		(994)	(0.1)
Loss before income taxes		(2,371)	(0.3)		(5,514)	(0.6)
Income tax benefit		(187)			(742)	(0.1)
Net loss	$	(2,184)	(0.2)	$	(4,772)	(0.5)

* Certain percentage amounts do not sum to total due to rounding.

The following narrative should be read in conjunction with the significant items that impacted results of operations discussed above.

Restaurant Sales. Restaurant sales increased $36.4 million, or 3.9%, compared with the fiscal year ended June 29, 2005. Average weekly sales for fiscal 2006 of $53,381 were 6.2% higher than the prior year. Same-store sales for fiscal 2006 increased by 4.6% compared to the prior year, reflecting a 6.1% increase in average check, partially offset by a 1.5% decline in guest traffic. We believe high gasoline prices and rising mortgage interest rates have affected our target customers disposable income spending decisions and adversely impacted our guest counts. We believe this impact has been partially mitigated due to the popularity of our enhanced protein offerings. We currently expect same-store sales for the first quarter of fiscal 2007 (the 12-week period ending September 20, 2006) to range between a zero and a one percent decrease versus the comparable period in fiscal 2006.

Restaurant Costs. Restaurant costs for fiscal 2006 decreased 0.8% as a percentage of sales compared with the prior year. Food costs increased 0.9% as a percentage of sales primarily due to our steak and shrimp promotions, which commenced early in fiscal 2006. Our steak offerings were introduced in the first quarter of fiscal 2006 and were expanded system-wide in the second quarter and further expanded in frequency to six-to-seven days per week during the third quarter. In addition, we expanded the frequency of our shrimp offerings during fiscal 2006.

Labor costs were 1.6% lower as a percentage of sales in large part due to improved sales leverage, as well as a reduction in workers compensation costs as compared to the prior year. We have a large presence in the California market and a large part of our workers compensation reserve relates to claims in that state. Beginning January 1, 2003, a series of workers compensation medical reform bills were enacted in California in an effort to control rapidly increasing medical costs. The last of these reform bills was enacted in April 2004. In late 2004 and early 2005, California s Division of Workers Compensation implemented significant regulatory changes called for by the reform bills, that have subsequently resulted in an overall reduction in the number of claims and the average cost per claim in that state. These trends have favorably impacted our claims experience in the California market, resulting in reductions in our workers compensation insurance reserve totaling approximately $4.9 million during fiscal 2006.

Direct and occupancy costs decreased by 0.1% measured as a percentage of sales versus the prior year primarily due to improved sales leverage attributable to reasonably fixed costs on an improving sales base, offset in part by unfavorable general liability insurance trends. Our claims experience worsened during fiscal 2006 resulting in increases in our general liability insurance reserve totaling approximately $1.9 million. We currently expect that restaurant costs will range between 86.1% and 87.1% as a percentage of sales during the first quarter of fiscal 2007.

Advertising Expenses. Advertising costs increased 0.6% as a percentage of sales during fiscal 2006 versus the prior year as we significantly increased promotional advertising in conjunction with the expansion of our system-wide steak promotion during the second quarter. This heightened marketing commitment, resulting in media coverage for the majority of our owned buffet units, served to announce the system-wide introduction of steak offerings. Television advertising was expanded into areas that had previously not received advertising. The scope of advertising was reduced in the third and fourth quarters to a level more consistent with prior years. We expect that advertising costs will range between 3.2% and 3.4% as a percentage of sales during the first quarter of fiscal 2007.

General and Administrative Expenses. General and administrative expenses decreased 0.1% as a percentage of sales during fiscal 2006 as compared to the prior year. This decrease was largely due to reasonably fixed costs on an improving sales base. We currently expect that general and administrative expenses will range between 4.3% and 4.5% as a percentage of sales for the first quarter of fiscal 2007.

Interest Expense. Interest expense increased 0.2% as a percentage of sales during fiscal 2006 versus the prior year period primarily due to rising interest rates on our term loans and the impact of higher accretion of non-cash interest expense on our 13.875% Notes. We currently expect that interest expense will range between 5.9% and 6.1% as a percentage of sales for the first quarter of fiscal 2007.

Table of Contents

Income Taxes. Income tax benefit increased 0.1% as a percentage of sales for fiscal 2006 versus fiscal 2005 principally due to an increase in loss before income taxes as well as an increase in the effective tax rate. The change in the effective rate of 13.5% for fiscal 2006 compared with 7.9% for the prior year was largely attributable to the impact of stable tax credits on declining pre-tax income. The variance between the effective tax rate and the statutory tax rate was largely attributable to the non-deductibility of a portion of the interest on our 13.875% Notes. The increase in the accreted interest related to these notes caused the non-deductible portion of this interest to have a greater impact on the effective rate. In addition, the cumulative impacts of the conversion of one of our subsidiaries to a limited liability company (LLC) in the second quarter and the non-deductibility of the costs related to the repurchase of certain rights associated with shares of common stock previously held by former management shareholders who separated from us during the third quarter of fiscal 2006 increased tax expense. Effective September 22, 2005, OCB Restaurant Co. was converted to OCB Restaurant Company, LLC. In conjunction with this LLC conversion, we recognized a cumulative charge of $368,000 to restate the carrying value of our deferred tax assets, to reflect a lower expected future tax rate. In conjunction with the shareholder rights repurchases, we recognized an income tax charge of $268,000. These increases in tax expense have a decremental impact on the effective tax rate relative to the statutory rate given our tax position of net tax benefits on pre-tax losses.

2004 Compared With 2005

The following discussion reflects our historical results for the fiscal years ended June 30, 2004 and June 29, 2005. The following discussion should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended	
	June 30, 2004	**June 29, 2005**
	(dollars in thousands)	
Significant items that impacted results of operations:		
Closed restaurant costs(1)	$ 1,085	$ 2,909
Impairment of assets(2)	1,878	3,609
Financing-related compensation expenses(3)	2,240	
Loss related to refinancing(4)	4,776	856
Loss related to early extinguishment of debt(5)	$ 5,275	$ 1,923

(1) Closed restaurant costs were $2.9 million during fiscal 2005 primarily related to the closure of eleven restaurants as compared to $1.1 million for fiscal 2004 related to the closure of fifteen restaurants. We incurred charges related to these closures of approximately $2.1 million and $0.8 million in fiscal 2005 and fiscal 2004, respectively. In addition, we incurred charges of approximately $0.8 million and $0.3 million related to the termination of sublease agreements and other related costs.

(2) We test property and equipment for impairment annually or whenever events or circumstances indicate that the carrying amount of a restaurant s assets may not be recoverable. Assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows, namely as individual restaurants. During fiscal 2005 and 2004, we recognized losses of approximately $3.6 million and $1.9 million, respectively, related to impairments of the carrying value of our long-lived assets for 29 and 17 under performing restaurants, respectively, as the carrying value of these long-lived assets exceeded their fair value.

(3) On May 18, 2004, Buffets Holdings issued 13.875% Notes due 2010 in a Rule 144A offering with a stated aggregate principal amount at maturity (including accreted amounts) of $132.0 million. As part of the transaction fees and expenses related to the offering, we recognized approximately $2.2 million of bonus payments to certain restaurant and corporate employees as financing-related compensation expenses.

(4) During fiscal 2005, we incurred approximately $0.9 million in costs associated with an initial public offering of Income Deposit Securities that was withdrawn due to unfavorable market conditions. During

fiscal 2004, Buffets entered into an amended and restated credit facility. In connection with this bank refinancing, we wrote off $4.2 million of debt issuance costs related to the predecessor credit facility. In addition, we incurred $0.6 million in transaction fees associated with an uncompleted senior discount note offering.

(5) During the first quarter of fiscal 2005, we redeemed approximately $14.3 million of Buffets 11.25% Notes at an average price of 106.7%. During the second half of fiscal 2004, we repurchased $29.6 million of 11.25% Notes at an average price of 110.4%. The difference between the premium purchase price and the discounted carrying value of the 11.25% Notes, as well as the associated write-off of debt issuance costs, was recognized as a loss related to the early extinguishment of debt.

The following table sets forth our results of operations based on the percentage relationship of the items listed to our restaurant sales during the periods shown:

	Year Ended June 30, 2004		Year Ended June 29, 2005	
	(dollars in thousands)			
Restaurant sales	$ 942,831	100.0%*	$ 926,781	100.0%*
Restaurant costs	811,577	86.1	805,333	86.9
Advertising expenses	25,918	2.7	24,166	2.6
General and administrative expenses	42,658	4.5	43,706	4.7
Closed restaurant costs	1,085	0.1	2,909	0.3
Impairment of assets	1,878	0.2	3,609	0.4
Financing-related compensation expenses	2,240	0.2		
Operating income	57,475	6.1	47,058	5.1
Interest expense	39,609	4.2	48,100	5.2
Interest income	(424)		(515)	(0.1)
Loss related to refinancing	4,776	0.5	856	0.1
Loss related to early extinguishment of debt	5,275	0.6	1,923	0.2
Other (income)	(1,379)	(0.1)	(935)	(0.1)
Income before income taxes	9,618	1.0	(2,371)	(0.3)
Income tax expense	1,648	0.2	(187)	
Net income	$ 7,970	0.8	$ (2,184)	(0.2)

* Certain percentage amounts do not sum to total due to rounding.

The following narrative should be read in conjunction with the significant items that impacted results of operations discussed above.

Restaurant Sales. Restaurant sales for the fiscal year ended June 29, 2005 decreased $16.0 million, or 1.7%, compared with the fiscal year ended June 30, 2004. The decline in sales was impacted by the closure of eleven buffet restaurants, partially offset by the opening of five units over the past year. Although average weekly sales for fiscal 2005 were $50,273, or 0.6% higher than the prior year, same-store sales for fiscal 2005 decreased by 0.6% compared to the prior year, which is comprised of a 3.0% decline in guest traffic partially offset by a 2.4% increase in average check. We attribute the weak sales trends during fiscal 2005 principally to a shift in the timing of the Christmas and New Year holidays to higher-volume weekend days as opposed to lower-volume days in the prior year as well as adverse weather conditions at various times during the year. We also believe high energy costs and uncertain economic conditions affected our target customers disposable income spending decisions and adversely impacted our guest counts.

Restaurant Costs. Restaurant costs for fiscal 2005 increased by 0.8% as a percentage of sales compared with the prior year. Food costs increased 0.5% as a percentage of sales primarily due to commodity pricing pressures in our chicken and dairy product categories. Labor costs were 0.4% lower as a percentage of sales than those experienced in the prior year primarily due to a reduction in our restaurant management headcount. Direct and occupancy costs increased by 0.7% measured as a percentage of sales versus the prior year. The increase was largely attributable to approximately $1.2 million in losses on disposal of assets primarily associated with the cancellation of two new store openings, as well as higher utility costs and leverage issues attributable to reasonably fixed costs on a declining sales base.

Advertising Expenses. Advertising costs decreased 0.1% as a percentage of sales during fiscal 2005 versus the prior year as we significantly reduced television advertising during December and January.

General and Administrative Expenses. General and administrative expenses increased 0.2% as a percentage of sales during fiscal 2005 as compared to fiscal 2004. Higher severance expense and professional fees during fiscal 2005 were partially offset by higher bonus expense and 401(k) expense related to employer matching contributions during fiscal 2004.

Interest Expense. Interest expense increased 1.0% as a percentage of sales during fiscal 2005 versus the prior year primarily due to the issuance of our 13.875% Notes issued in May 2004.

Income Taxes. Income taxes decreased 0.2% as a percentage of sales for the fiscal year ended June 29, 2005 compared to the fiscal year ended June 30, 2004 principally due to a decrease in income before income taxes. The change in the effective tax rate of 7.9% for fiscal 2005 compared with 17.1% for the prior year was largely attributable to declining pre-tax income, resulting in a change in our tax position from tax expense on pre-tax income in fiscal 2004 to net tax benefits on pre-tax losses in fiscal 2005. Given our pre-tax loss position, the nondeductibility of a portion of the interest on our 13.875% Notes had a decremental impact on our effective tax rate as compared to the statutory tax rate. Our 13.875% Notes were issued on May 2004. Therefore, the amount of non-deductible interest related to these notes was greater in fiscal 2005 than fiscal 2004, resulting in a larger impact on the effective tax rate.

Liquidity and Capital Resources

We are a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. Operations are conducted through our subsidiaries. The terms of our New Credit Facility place restrictions on Buffets ability to pay dividends and otherwise transfer assets to us. Further, the terms of the indenture governing the notes place restrictions on the ability of Buffets and our other subsidiaries to pay dividends and otherwise transfer assets to us.

Historical

Cash flows generated from our operating activities provide us with a significant source of liquidity. Our sales are primarily for cash or credit and settlement occurs within a few days. Our cash flow from operations is used for debt service payments, capital expenditures, including remodeling initiatives, payments to vendors and general corporate purposes. Vendors are paid on terms ranging from 14 to 35 days. In addition to cash flows from operations, revolving credit loans and swingline loans are available to us under our Existing Credit Facility. Letters of credit issued under the letter of credit facility are also available to us to support payment obligations incurred for our general corporate purposes. Our favorable vendor terms relative to the timing of our cash receipts allow us to voluntarily accelerate our debt repayments, causing a significant working capital deficit. Our capital requirements have been for the development and construction of new restaurants, restaurant refurbishment and the installation of new information systems.

Our short-term and long-term liquidity needs arise primarily from principal and interest payments on our indebtedness, rent payments under our lease agreements, capital expenditures and working capital requirements, including development and construction of new restaurants, restaurant refurbishment and the installation of new information systems. We expect these requirements to continue in the foreseeable future.

Cash Flow for the Twelve Weeks ended September 20, 2006 and Twelve Weeks ended September 21, 2005

Operating Activities. Net cash used in operating activities was $4.7 million for the twelve weeks ended September 20, 2006 and net cash provided by operating activities was $5.7 million for the twelve weeks ended September 21, 2005. The overall decline in net cash provided by (used in) operating activities is primarily attributable to the decrease in cash receipts from customers, due to the decrease in total sales, and increases in vendor payments and cash payments for interest, income taxes and non-capitalizable merger integration costs related to the merger with Ryan s. Net cash used in operating activities exceeded the net loss for the first twelve weeks of fiscal 2007 principally due to payments of accounts payable, accrued and other liabilities, and income taxes payable, partially offset by the effect of noncash depreciation and amortization and accretion of original issue discount. Net cash provided by operating activities exceeded net income for the first twelve weeks of fiscal 2006 principally due to the effect of noncash depreciation and amortization, accretion of original issue discount and a decrease in prepaid expenses, partially offset by payments of accounts payable and accrued and other liabilities.

Investing Activities. Net cash used in investment activities was $13.0 million for the twelve weeks ended September 20, 2006 and $6.0 million for the twelve weeks ended September 21, 2005. During the first twelve weeks of fiscal 2007, our property and equipment related capital expenditures of $6.8 million represented remodeling and improvement cost on our existing restaurants. On August 1, 2006, our subsidiary, OCB Restaurant Company, LLC acquired certain assets and liabilities of North s Restaurants, Inc. for approximately $3.5 million. The remaining cash used in investing activities during the first twelve weeks of fiscal 2007 was primarily comprised of capitalized transaction costs related to our merger with Ryan s. During the first twelve weeks of fiscal 2006, remodeling and improvement costs on our existing restaurants accounted for approximately $4.5 million of our capital expenditures. The bulk of the remainder of our capital expenditures during the first twelve weeks of fiscal 2006 was comprised of new construction expenditures.

Financing Activities. Net cash provided by financing activities was $5.5 million for the first twelve weeks of fiscal 2007 and net cash used in financing activities was $0.5 million for the first twelve weeks of fiscal 2006. During the first twelve weeks of fiscal 2007, financing activities consisted primarily of borrowings on our revolving credit facility of $6.0 million partially offset by $0.5 million repayment of debt. During the first twelve weeks of fiscal 2006, financing activities entirely consisted of repayments of debt.

Cash Flow for Fiscal 2006, 2005 and 2004

Operating Activities. Net cash provided by operating activities in fiscal years 2006, 2005 and 2004 was $49.3 million, $52.7 million and $50.5 million, respectively. Net cash provided by operating activities exceeded the net loss for fiscal years 2006 and 2005 principally due to the effect of depreciation and amortization, accretion of original issue discount and an increase in the loss related to the impairment of assets, partially offset by a deferred income tax benefit. Net cash provided by operating activities exceeded net income for fiscal 2004 primarily due to the effect of depreciation and amortization, a write-off of debt issuance cost related to bank refinancing and a loss related to early extinguishment of debt, partially offset by a decrease in accrued and other liabilities.

Investing Activities. Net cash used in investment activities in fiscal years 2006, 2005 and 2004 was $32.7 million, $28.5 million and $28.4 million, respectively. Investment activities were largely comprised of capital expenditures for all three fiscal years. During fiscal 2006, remodeling and improvement costs on our existing restaurants accounted for approximately $26.3 million of our capital expenditures. The bulk of the remainder of our capital expenditures during fiscal 2006 were comprised of new construction expenditures. During fiscal 2005, new restaurant construction accounted for approximately $12.5 million of our capital expenditures. The remainder of our capital expenditures during fiscal 2005 were primarily comprised of remodeling and improvement costs on our existing restaurants. During fiscal 2004, our capital expenditures were primarily comprised of $18.2 million in re-image expenditures, with the majority of the remaining expenditures representing remodeling and improvement outlays on our existing restaurants. The re-imaging effort in fiscal 2004 primarily encompassed upgrades to the restaurant interiors including new wall and floor coverings and extensive décor enhancements. We completed the sale and leaseback of certain leasehold interests and leasehold improvements with respect to one location in fiscal 2004, with net proceeds from the transaction of approximately $2.7 million. The aggregate initial annual rent associated with the sale-leaseback transactions was $0.3 million in fiscal year 2004. We did not recognize a gain or loss on the transaction in 2004. In addition, the net proceeds were greater than the book value of the leasehold assets resulting in a deferred gain of $0.3 million in fiscal year 2004. This deferred gain is being accreted over the life of the respective restaurant lease.

Financing Activities. Net cash used in financing activities in fiscal years 2006, 2005 and 2004 was $17.0 million, $29.6 million and $11.9 million, respectively. Financing activities consisted primarily of accelerated repayments of debt in all three fiscal years. In addition, Buffets completed its partial bond repurchase program in August 2004, cumulatively expending $49.5 million to redeem $43.9 million of 11.25% Notes at an average price of 109.2% over a period of approximately six months. Buffets spent $15.7 million during the first quarter of fiscal 2005 to redeem $14.3 million of 11.25% Notes at an average price of 106.7%.

Merger Transaction

On November 1, 2006, Buffets and Ryan s announced that we have completed the previously announced merger of Buffets in a cash transaction valued at approximately $834.0 million, including debt that was repaid at closing. Historical liquidity and capital expenditure trends will not be indicative of future trends due to the consummation of the Ryan s acquisition.

In conjunction with the Ryan s acquisition, we and Buffets refinanced our debt. See discussion of Buffets new debt under Credit Facilities and Other Long-Term Debt below.

In addition to the fees and expenses paid as part of the Ryan s acquisition closing, the Company incurred approximately $31.2 million of transaction closing fees and expenses that will be paid subsequent to the Ryan s acquisition close date.

We had incurred approximately $4.7 million in transaction and merger integration costs as of September 20, 2006. Transaction costs of approximately $4.3 million have been capitalized and are recorded in other assets, net in our condensed consolidated balance sheets. Merger integration costs of approximately $0.4 million have been expensed as incurred and are recorded in merger integration costs in our condensed consolidated statements of operations.

Sale-Leaseback Transaction.

On November 1, 2006, immediately prior to the Ryan s acquisition, Buffets and Ryan s entered into the Sale Leaseback Transaction with Drawbridge, an affiliate of Fortress Investment Group LLC, involving approximately 275 Ryan s restaurants and seven Buffets restaurants. In the Sale Leaseback Transaction, Buffets and Ryan s, as applicable, conveyed the land (or, in certain cases, underlying ground leases) and related improvements with respect to those properties to Drawbridge or its assignee, Realty Income (or its affiliate), and each simultaneously leased those properties back pursuant to unitary and individual leases, each for an initial lease term of approximately 20 years, with four renewal terms of five years, except with respect to ground lease sites. The purchase price for the portfolio of sale-leaseback properties was approximately $566.8 million. The annual net rent payable under the leases is equal to the purchase price multiplied by a 10.15% cap rate, subject to annual increases of two times the Consumer Price Index (but in no event greater than 2%), and, if the term of the leases are renewed, subject to further increases during some of the renewal terms based upon the then current fair market rental value. See The Ryan s Acquisition and Related Transactions Financing Transactions The Sale-Leaseback Transaction.

Credit Facilities and Other Long Term Debt

In conjunction with the Ryan s acquisition, Buffets entered into the New Credit Facility. The New Credit Facility consists of (i) the Term Facility, (ii) the Revolving Facility, and (iii) the Synthetic Letter of Credit Facility. Borrowings under the Term Facility bear interest at an adjusted LIBOR rate plus a margin of either 2.75% or 3.00%, depending on Buffets leverage ratio, and borrowings under the Revolving Facility bear interest at an adjusted LIBOR rate plus a margin of 3.25%.

The borrowings due under the Term Facility are payable in equal quarterly installments in an annual amount equal to 1% of the term loan during each of the first six and a half years of the loan, with the remaining balance payable due on November 1, 2013. The Revolving Facility and the Synthetic Letter of Credit Facility are not subject to interim scheduled principal payments. The New Credit Facility is fully and unconditionally guaranteed by Buffets Holdings, which has no independent assets or operations, and its existing and future domestic subsidiaries and is secured by substantially all of our assets. Borrowing availability under the New Credit Facility depends upon our continued compliance with certain covenants and financial ratios including leverage and interest coverage ratios as specifically defined in the New Credit Facility. See Description of Credit Facility New Credit Facility for a description of the terms of the New Credit Facility.

On November 1, 2006, Buffets borrowed (i) $530.0 million under the Term Facility, (ii) approximately $5.0 million under the Revolving Facility and (iii) approximately $70.0 million under the Synthetic Letter of Credit Facility. As of November 1, 2006, the interest rate in effect under the Term Facility was 8.36% and the interest rate in effect under the Revolving Facility was 8.61%. See Description of Credit Facility New Credit Facility for further description of the New Credit Facility.

On November 1, 2006, Buffets issued $300.0 million aggregate principal amount of the initial notes. The issuance was consummated solely by means of a private placement either to qualified institutional buyers pursuant to Rule 144A promulgated under the Securities Act, or to certain persons in offshore transactions pursuant to Regulation S promulgated under the Securities Act. The offering of the initial notes was not and has not been registered under the Securities Act and the initial notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

The initial notes will mature on November 1, 2014. Buffets has the option to redeem all or a portion of the initial notes on or after November 1, 2010 at fixed prices that decline over time. Buffets also has the option to redeem up to 35% of the aggregate principal amount of the initial notes on or prior to November 1, 2009 with the proceeds of one or more equity offerings at a redemption price of 112.50% of the principal amount of the initial notes, if at least 65% of the aggregate principal amount of the initial notes are outstanding after each such redemption and such redemption is made not more than 90 days after the consummation of certain equity offerings. Upon certain change of control and asset disposition events as described in the indenture governing the initial notes, Buffets may be required to redeem the initial notes at a purchase prices equal to 101%, in the case of change of control events, and 100%, in the case of asset disposition events, of the principal amount of the initial notes. The initial notes are unsecured senior obligations of Buffets and are jointly and severally guaranteed on a senior unsecured basis by its subsidiaries and Buffets Holdings, which has no independent assets or operations.

The indenture governing the initial notes contains customary covenants relating to restrictions on indebtedness, dividends on, and redemptions and repurchases of, capital stock, liens and sale-leaseback transactions, loans and investments, debt and hedging arrangements, mergers, acquisitions and asset sales, transactions with affiliates and changes in business activities conducted by Buffets and certain subsidiaries. The indenture governing the initial notes also contains customary events of default. See Description of the Notes.

After the Transactions

Following the completion of the Transactions, our short-term and long-term liquidity needs will arise primarily from principal and interest payments on our indebtedness, rent payments under the sale-leaseback facility, capital expenditures and working capital requirements, including development and construction of new restaurants, restaurant refurbishment and the installation of new information systems.

As of September 20, 2006, on a pro forma basis after giving effect to the Transactions, we would be permitted to borrow an additional $35.0 million of indebtedness under the New Credit Facility. After giving effect to the Transactions, assuming that they had occurred on September 20, 2006 and that the interest rate on our variable rate indebtedness remains unchanged, our debt service requirements for the twelve months ending June 27, 2007 would be approximately $88.5 million. Our annual debt service obligations will increase by $5.4 million per year for each 1.0% increase in the average interest rate we pay, based upon the balance of variable rate debt outstanding at September 20, 2006, on a pro forma basis after giving effect to the Transactions. After giving effect to the Transactions, we estimate that our operating lease obligations under the Sale-Leaseback Transaction will be approximately $57.5 million for the next twelve months. In connection with the Sale-Leaseback Transaction and the other Transactions, we will incur significant federal, state and local tax liabilities, which we estimate will result in cash payments of between $30 million and $40 million over the next 18 months.

Table of Contents

Future Capital Expenditures. During the remainder of fiscal 2007, we plan to:

Open one new restaurant with capital outlay of approximately $2.5 million;

Spend approximately $16.0 million on remodeling and improvement costs that will be capitalized. Remodels incorporate design elements to update the décor of our existing facilities including a lighter, more contemporary interior design and expanded dessert displays. Other improvement costs include a variety of outlays such as new carpet, equipment and minor leasehold improvements and display grill installations;

Spend approximately $1.0 million on miscellaneous corporate and information systems investments;

Spend approximately $15.0 million on the repair and maintenance of our existing restaurant locations that will be expensed. This will encompass expenditures to keep equipment in good working order and leasehold improvements in good condition, without substantially extending the economic lives of the underlying assets;

On August 1, 2006, our subsidiary, OCB Restaurant Company, LLC, acquired certain assets and liabilities of North s Restaurants, Inc., primarily comprised of five buffet restaurants in California and Oregon. The purchase price was $3.3 million. In addition, we incurred $0.2 million of transaction costs. During the remainder of fiscal 2007, we plan to spend approximately $3.0 million to convert three of these units to HomeTown Buffet® restaurants and one unit to a Tahoe Joe s Famous Steakhouse® restaurant; and

Spend approximately $10.0 million to $12.0 million on the integration of Ryan s and approximately $25.0 million on capital improvements specifically related to the restaurants we acquired in the Ryan s acquisition.

For the next twelve months, we expect that cash flow from operations, cash on hand, landlord contributions, credits received from trade suppliers and available borrowing capacity under the New Credit Facility will be adequate to finance our development plans, ongoing operations (including our operating lease obligations) and debt service obligations under the New Credit Facility and the notes. Over the longer term, we believe that cash flow from operations, landlord contributions, credits received from trade suppliers and available borrowing capacity under the New Credit Facility will be sufficient to fund our operations and debt service obligations. However, in order to repay the New Credit Facility and the notes at maturity, we will need to either refinance these facilities with indebtedness and/or raise equity capital.

Contractual Obligations

The following table provides aggregate information, as of June 28, 2006, about our material contractual payment obligations and the fiscal year in which those payments are due:

	Payments Due by Fiscal Year						
	2007	**2008**	**2009**	**2010**	**2011**	**Thereafter**	**Total**
				(In thousands)			
Long-term debt(1)	$ 1,862	$ 2,328	$ 177,863	$	$ 316,665	$	$ 498,718
Interest(2)	20,775	20,775	29,933	39,090	26,413		136,986
Operating leases(3)	53,211	51,640	47,986	41,369	34,382	214,621	443,209
Advisory fees(4)	2,100	2,000	2,000	2,000	2,000		10,100
Purchase obligations(5)	11,337						11,337
Total contractual cash obligations	$ 89,285	$ 76,743	$ 257,782	$ 82,459	$ 379,460	$ 214,621	$ 1,100,350

(1) Long-term debt payments for fiscal years 2007 through 2009 represent the required principal payments on our variable-rate credit facility. Long-term debt payments in fiscal year 2011 represent the aggregate principal amounts due on Buffets 11.25% Notes and our 13.875% Notes, at face value, including aggregate carrying value of $280.5 million as of June 28, 2006 and aggregate accretion from that date through maturity of $36.2 million. Debt payments could be accelerated upon violation of debt covenants. We believe the likelihood of debt covenant violations to be remote. See Note 5 to our consolidated financial statements included elsewhere in this prospectus for details of our long-term obligations.

Table of Contents

(2) Amounts represent contractual interest payments on our fixed-rate debt instruments. Interest payments on our variable-rate term loan facility are excluded. The borrowings under the term loan facility bear interest, at Buffets, Inc. s option, at either adjusted LIBOR plus 3.50% or at an alternate base rate plus 2.50%, subject to a leverage-based pricing grid. The base rate is the greater of Credit Suisse First Boston s prime rate, or the federal funds effective rate plus one-half of one percent. The term loan facility matures on June 28, 2009. Interest payments are due quarterly. The interest rate, at LIBOR plus 3.50%, was 8.2% as of June 28, 2006. The borrowings due under the term loan facility are payable in equal quarterly installments in an annual amount equal to 1% of the term loan during each of the first four and a half years of the loan, with the remaining balance payable due in equal quarterly installments during the last year of the loan. See Note 5 to our consolidated financial statements for the period ended June 28, 2006 included elsewhere in this prospectus for details of our long-term obligations.

(3) Operating leases is comprised of minimum rents and contingent rents. Operating leases have not been reduced by minimum sublease rentals of approximately $11.6 million. See Note 10 to our consolidated financial statements included elsewhere in this prospectus for details of our operating lease obligations.

(4) The advisory fees comprise our contractual obligation to pay annual advisory fees to each of Roe H. Hatlen, Sentinel Capital Partners, L.L.C. and Caxton-Iseman Capital. See Related Party Transactions. Under the terms of these agreements, Mr. Hatlen and Sentinel Capital are each paid a fixed annual fee. The fee of Caxton-Iseman is calculated as a percentage of our earnings before interest, taxes, depreciation and amortization, which in fiscal 2005 resulted in a payment of $1.8 million. This figure has been used as an estimate for our obligations under that agreement for fiscal 2007 and each fiscal year thereafter. The agreements with Caxton-Iseman and Sentinel Capital are of perpetual duration, and hence no estimate of the aggregate amount of future obligations (represented in the Thereafter column, above) is provided.

(5) In determining purchase obligations for this table we used our interpretation of the definition set forth in the Commission Final Rule, *Disclosure in Management s Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations,* which states, a purchase obligation is defined as an agreement to purchase goods or services that is enforceable and legally binding on the registrant and that specifies all significant terms, including: fixed minimum quantities to be purchased; fixed, minimum or variable/price provisions, and the approximate timing of the transaction. In applying this definition, we have only included purchase obligations to the extent the failure to perform would result in formal recourse against the Company. Accordingly, certain procurement arrangements that indicate we are to purchase future items are included, but only to the extent they include a recourse provision for our failure to purchase.

Other Commercial Commitments

The following table provides aggregate information about our commercial commitments and the fiscal years in which they expire:

	Amount of Commitment Expiration by Fiscal Year					
	2007	**2008**	**2009**	**2010**	**Thereafter**	**Total**
			(In thousands)			
Letters of credit(1)	$ 38,617	$ 118	$	$	$	$ 38,735
Total commercial commitments	$ 38,617	$ 118	$	$	$	$ 38,735

(1) Our outstanding letters of credit expire at various times with final expirations in November 2007. As of June 28, 2006, total borrowing availability was $41.3 million, which is comprised of a revolving credit facility of

$30.0 million and letter of credit facilities of $11.3 million.

Seasonality and Quarterly Fluctuations

Our sales are seasonal, with a lower percentage of annual sales occurring in most of our current market areas during the winter months. Generally, restaurant sales per unit are lower in the winter months, our third fiscal quarter ending in April of each year. The impact of these reduced average weekly sales are mitigated in our quarterly data presentations through the inclusion of sixteen weeks in the quarter ending in early April of each year, compared to only twelve or thirteen weeks in each of the other fiscal quarters. Our restaurant sales may also be affected by unusual weather patterns, particularly during the winter months, major world events or matters of public interest that compete for customers attention.

New Accounting Standards

In June 2005, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 154, Accounting Changes and Error Corrections. SFAS No. 154 replaces APB Opinion No. 20, *Accounting Changes,* and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements,* and changes the requirements for the accounting for and reporting of a change in accounting principle. This statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. This statement shall be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, which is the beginning of our fiscal year 2007. The adoption of SFAS No. 154 did not have a material impact on our results of operations or financial position.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets.* SFAS No. 153 amends APB Opinion No. 29, *Accounting for Nonmonetary Transactions,* and eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 will be effective for fiscal years beginning after June 15, 2005, which is the beginning of our fiscal year 2007. The adoption of SFAS No. 153 did not have a material impact on our results of operations or financial position.

In December 2004, the FASB issued SFAS No. 123R, *Share-Based Payment.* This statement requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments granted to employees. SFAS No. 123R is effective as of the beginning of the first annual reporting period after December 15, 2005, which is the beginning of our fiscal year 2007. Pursuant to SFAS No. 123R, we are a non-public entity and all outstanding equity compensation awards as of the adoption date will be accounted for in accordance with APB Opinion No. 25, *Accounting for Stock Issued to Employees.* Subsequent to the adoption date, the issuance of new awards and modification to existing awards will be accounted for in accordance with SFAS No. 123R. We do not believe the impact of the adoption of SFAS No. 123R will have a material impact on our results of operations or financial position.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risks. We have interest rate exposure relating to the variable portion of our long-term obligations. Buffets 11.25% Notes and Buffets Holdings 13.875% Notes are fixed rate instruments, while the interest rates on the term loans under the Existing Credit Facility are variable. Based on the terms of the Existing Credit Facility, a 1% change in interest rates on our variable rate debt would have resulted in our interest rate expense fluctuating by approximately $2.2 million for fiscal 2005 and $1.9 million for fiscal 2006. Our interest rate risk under our Existing Credit Facility was mitigated, in part, by an interest rate cap purchased on November 25, 2002 with a notional value of $15 million and a 5% LIBOR strike price that expired on June 30, 2004.

Food Commodity Risks. Many of the food products purchased by us are affected by commodity pricing and are, therefore, subject to price volatility caused by weather, production problems, delivery difficulties and other factors that are outside our control. To control this risk in part, we have fixed price purchase commitments with terms of one year or less for some key food and supplies from vendors who supply our national food distributor. In addition, we believe that substantially all of our food and supplies are available from several sources, which helps to control food commodity risks. We believe we have the ability to increase menu prices, or vary the menu items offered, if needed, in response to food product price increases within the range that has been experienced historically. To compensate for a hypothetical price increase of 10% for food and beverages, we would need to increase menu prices by an average of approximately 3%. Our average menu price increases were approximately 3% for fiscal 2005 and 6% for fiscal 2006. Accordingly, we believe that a hypothetical 10% increase in food product costs would not have a material effect on our operating results.

65

Table of Contents

BUSINESS

Overview

We are one of the largest restaurant operators in the United States and the second largest restaurant company in the family dining segment, operating 668 restaurants in 39 states across the United States. As of September 20, 2006, we and Ryan s operated primarily under the names Old Country Buffet®, HomeTown Buffet®, Ryan s® and Fire Mountain®. Numerous annual surveys conducted by Restaurants and Institutions magazine have shown that consumers consistently rank Old Country Buffet, HomeTown Buffet and Ryan s among the highest perceived value of all restaurants in their class. Since our inception in 1983, we have increased our average unit volumes (AUVs) at a compound annual growth rate (CAGR) of 2.6%. We believe our AUVs are among the top three for our segment. For the twelve weeks ended September 20, 2006, on a pro forma basis, we and Ryan s served over 50.0 million customers, generated net sales of approximately $414.5 million and incurred a net loss of approximately $5.6 million.

We believe the combination of Buffets and Ryan s will create numerous compelling strategic benefits including:

- Complementary brands and businesses;
- Benefits of scale from combined entity;
- Enhanced geographic footprint;
- Potential for significant cost savings;
- Additional upside opportunities primarily from cross-fertilization of best practices; and
- Strong management team.

We maintain a high level of food quality and service in all of our restaurants through uniform operational standards initiated at the corporate level. Our strategy is to offer quality food at an exceptional value. Freshness is maintained by preparing food in small batches of six to eight servings at a time, with preparations scheduled by monitoring current customer traffic and applying our proprietary food production forecasting model. Our buffet restaurants employ uniform menus, recipes and ingredient specifications, except for minor differences relating to regional preferences. We offer an extensive menu with approximately 100 menu items at each meal, including entrees, soups, salads, fresh vegetables, non-alcoholic beverages and desserts. Typical entrees include steak, chicken, carved roast beef, ham, shrimp, fish and casseroles. Ryan s offers similar menu items and entrees. We were an early innovator of the scatter bar, a buffet format that we believe reduces the waiting time of customers to access food, thereby enhancing their experience and increases table turns. All of our and Ryan s restaurants serve lunch and dinner seven days a week. All of our restaurants and most of Ryan s restaurants offer breakfast on Saturdays and Sundays.

We have a national footprint of restaurant locations, which are strategically concentrated in high population density regions. Our strong brand awareness in these regions enables us to maximize penetration within such markets and achieve operating and advertising synergies. For example, our advertising and marketing programs in our primary market areas provided media coverage for 71% of our buffet restaurants as of September 20, 2006. In addition, our restaurants are located in high customer traffic venues and include both freestanding units as well as units located in strip shopping centers and malls. As of September 20, 2006, on a pro forma basis, approximately 67% of our restaurants were freestanding units and approximately 33% of our restaurants were located in strip shopping centers or malls.

Our buffet restaurants use an all-inclusive, all-you-can-eat, pricing strategy designed to provide a very high dining value to our customers. Our core proposition of great food at a great value attracts a broad variety of customers, including families, singles and senior citizens. The average guest check in our buffet restaurants for fiscal 2006 and the twelve weeks ended September 20, 2006 were $7.70 and $7.84, respectively, and the average guest check in Ryan s restaurants for its fiscal year ended December 28, 2005, six months ended June 28, 2006 and the nine months ended September 27, 2006 were $8.17, $8.39 and $8.37, respectively. In order to further enhance our guests dining experience, we have focused on providing a level of customer service designed to supplement the self-service buffet format, including such features as limited table-side service and our greeters.

Our buffet restaurants, as well as those of Ryan s, average approximately 10,000 square feet in size and can seat between 220 and 600 people. On average, our buffet restaurants served approximately 6,900 customers per week for fiscal 2006. Ryan s restaurants served approximately 5,700 customers per week for its fiscal year ended December 28, 2005.

Industry Overview

The restaurant industry is one of the largest industries in the United States. According to the National Restaurant Association (NRA), a restaurant trade association, the U.S. restaurant industry will experience its fifteenth consecutive year of real sales growth in 2006. According to Technomic Information Services (Technomic), an independent research organization, the restaurant industry has grown at an average annual rate of 6.7% since 1977. According to the NRA in 2006, the industry will grow by an estimated 5.1% to $511.1 billion in sales from 2005 levels capturing approximately 47.5% of today s food dollar spending. We believe this growth can be attributed to several key lifestyle and demographic trends, including the continued increase in spending on food consumed away from home and restaurant dining, the continued growth in disposable incomes and the general aging of the population.

We operate in the family dining segment of the restaurant industry. According to Technomic, the family dining category is the third largest segment of the restaurant industry, with approximately $32.8 billion in sales in 2005. Sales in this segment are projected to grow at a CAGR of 2.0% for the period from 2005 to 2010, according to Technomic. We believe the family dining category has a loyal customer base, stable characteristics and offers consumers a consistent dining experience with quality food at a lower cost per check than other dining options.

Our Competitive Strengths

We believe our leading market position, established high value restaurant brands, consistent performance in all business cycles, strong cash flow generation, skilled restaurant managers, low employee turnover, centralized control measures and strong management team will allow us to continue to grow revenue and increase profitability.

Leading Market Position with National Scale. We are one of the largest restaurant operators in the United States. We are the second largest restaurant company in the family dining segment and account for approximately 5% of total sales within this segment. We believe that we benefit from significant operational efficiencies and economies of scale due to our large number of restaurants and our centralized operating and purchasing systems. We believe that we are able to achieve substantial levels of cost savings as a result of our size and related volume purchasing power, particularly with respect to food and beverage raw material costs.

Established, High Value Restaurant Brands. Over our 23 year operating history and Ryan s 28 year operating history, we and Ryan s have developed well-established, highly recognized brands in the geographic areas we serve. In our core markets of Southern California, the upper Midwest, the Chicago area, Detroit and part of the Northeast, Buffets has an aided brand awareness of over 90%, and we and Ryan s have received numerous Best Buffet awards from our customers and from restaurant associations. We strive to consistently provide a convenient, high-quality dining experience to our customers in order to generate frequent visit patterns and brand loyalty. In our core markets, the average Buffets customer visits a Buffets restaurant approximately two to four times per month, which we believe is at the high end of the family dining segment. We believe that average customer visits at Ryan s restaurants are similar to ours. We may locate new restaurants in our existing markets to capitalize on our strong brand awareness and loyal customer base.

Consistent Performance in All Business Cycles. We believe the value we offer our customers, which plays an important role in consumers decision-making process, allows us to perform on a relatively consistent basis even during difficult economic conditions. We have grown AUVs at a CAGR of 2.6% since our inception in 1983. In fiscal 2006, we were able to increase average weekly sales per restaurant by 6.2% over fiscal 2005. We believe the stability in our financial performance is a result of the following business characteristics:

Broad Demographic Appeal. 64% of our customers are in the 25-60 age bracket, which represents approximately 65% of the U.S. population. 53% of our customers are in the 45-60+ age bracket, the fastest growing segment of the U.S. population.

Geographically Balanced. We have more than 600 restaurants across the United States in 39 states, excluding franchised locations. Other than California, which accounts for 18% of our revenues, no single state comprises more than 6% of our revenues on a pro forma basis.

Diversified Food Costs. As a buffet style restaurant with a broad selection of food, we are able to quickly modify our menu in response to changes in customer preferences and rising food costs. Our total food costs represented approximately 34% of our revenues in fiscal 2006, with no individual food product purchase cost accounting for more than 5% of our revenues. Ryan s total food costs represented approximately 35% of its revenues in its fiscal year ended December 28, 2005, with no individual food product purchase cost accounting for more than 7% of its revenues. In the event of an increase in the cost of a particular food product, we and Ryan s are generally able to shift the menu offering to other foods in order to reduce consumption of the higher cost item.

Attractive Unit Level Economics. Our existing restaurants generated average weekly restaurant sales of approximately $53,000 per restaurant for fiscal 2006 and increased average weekly sales per restaurant at a CAGR of 1.7% over the five year period ended June 28, 2006. We believe that the increased sales volume is due to the introduction of new food offerings and more effective advertising. Our AUVs in fiscal 2006 increased 6.2% compared to our AUVs in fiscal 2005.

Strong Cash Flow Generation. Our strong operating results, historically low maintenance capital expenditure and working capital requirements are key drivers of our strong cash flow generation. We believe our and Ryan s restaurants are well-maintained and will require a similar level of maintenance capital expenditures in the near future. Since 2003, our maintenance capital expenditures have averaged approximately 1.0% of restaurant sales. On a pro forma basis for fiscal 2006 and for the twelve weeks ended September 20, 2006, our maintenance capital expenditures would have been approximately 1.7% and 1.6%, respectively, of our revenue.

Skilled Restaurant Managers and Low Turnover. Our most important asset is our people. We believe that a well trained and motivated workforce results in lower turnover, lower operating costs and the ability to consistently grow sales in existing units. Our general managers have an average of eight years experience with us. In fiscal 2006, our buffet restaurant general manager turnover rate was approximately 26% and our overall restaurant management turnover rate was approximately 31%, both of which we believe to be below average industry turnover rates. We are deeply committed to the long-term development of our employees. In fiscal 2006, we spent $3.6 million on training and development. All of our buffet restaurant managers receive extensive training relating to all aspects of restaurant management at Buffets College, our training program operated out of our corporate headquarters. We also initiated a program in 1997 under which we reward managers with trips and other benefits when they exceed specified operating benchmarks. The goal of these programs is for our restaurant managers to develop a strong tie to their community and instill a sense of ownership in their particular restaurant.

Centralized Control Measures. We believe that we and Ryan s maintain a high level of financial controls, service and food quality in all of our buffet restaurants through uniform operational standards initiated at the corporate level. Our centralized systems enable management to evaluate weekly profit and loss statements, sales reports and supplier invoices for each buffet restaurant, allowing us to quickly identify performance trends and monitor key profitability drivers. These systems are supplemented by several performance audit and evaluation programs, including a toll-free guest service line and detailed quarterly restaurant performance audits by multi-unit managers. These ongoing efforts assist management in tracking restaurant performance and customer satisfaction at the individual restaurant level. We believe that centralized coordination of our nationwide network of buffet restaurants assures a consistent level of food quality in our restaurants and enables us to negotiate favorable pricing and terms for major product purchases directly with manufacturers and producers.

Strong Management Team with Equity Ownership. We have attracted and retained an exceptionally talented and complementary executive management team with an average of more than 25 years of experience. Our executive management team has demonstrated strong restaurant operating capabilities by consistently increasing profitability and executing a disciplined growth strategy. Executives who have joined us from Ryan s have an average of 29 years of experience and we believe that they will enable us to continue strengthening our managerial talent. In addition, our management team has fully diluted equity interests (including vested and unvested stock options and phantom equity) of over 8% of Buffets Restaurants Holdings, Inc., the sole shareholder of Buffets Holdings.

Cost Savings Related to the Ryan s Acquisition

While Ryan s units are operated as a separate division in the company, significant focus is being placed on improving operating margins throughout the Ryan s system by means of back-office and corporate support function consolidation, reduction in labor and other costs at Ryan s units, and realization of purchasing synergies between our and Ryan s contracts. We expect to achieve a total of $55.7 million in cost savings on a run rate basis within a year of the closing of the Transactions. Our planned initiatives include:

Back-office and Corporate Support Function Consolidation. The majority of Ryan s corporate and administrative support functions will be consolidated into the existing Buffets systems, processes and operating platform. Certain store-level operational structure and multi-unit management positions at Ryan s, such as restaurant level general manager positions and multi-unit area director positions, will remain intact. Ryan s general and administrative expense was 6.7% of its revenue for the last twelve months ending June 28, 2006 and our general and administrative expense was 4.6% of revenue for fiscal 2006. We estimate that reductions in Ryan s corporate office and executive staff, consolidation of back office and administrative functions, conforming Ryan s management training program to our standard, reduction of Ryan s net worth taxes and elimination of various redundant costs will result in cost savings of approximately $13.9 million. Together with other measures, we expect to achieve approximately $17.9 million in general and administrative cost savings through these initiatives.

Reduction in Labor Costs. Ryan s labor expense was 32.7% of its revenue for the last twelve months ending June 28, 2006 and our labor expense was 28.5% of revenue for fiscal 2006. We believe that we will achieve approximately $9.7 million in cost savings through more cost effective labor scheduling and approximately $7.2 million in cost savings through changes to Ryan s benefit plans to more closely match our benefit plans and certain other measures.

Realization of Purchasing Synergies. On a pro forma basis, our total food cost was approximately $610 million for fiscal 2006, including Buffets food cost of $327.2 million and Ryan s food cost of $282.7 million. We expect to achieve approximately $13.2 million in cost savings by consolidating volumes and selecting from our and Ryan s most cost efficient existing contracts, and to achieve approximately $3.0 million in cost savings through shifting to in-house production of certain products and certain other measures.

Other Costs Reductions. We believe we can achieve other cost savings in the amount of $4.6 million through the discontinuation of certain operating practices at Ryan s units, which management believes are non-industry standard, and conforming certain Ryan s operating practices to Buffets standard. Examples of practices which will be discontinued include: extra hourly employee background checks, which generates $1.5 million in savings, and verification and the acceptance of personal checks for payment, which represents approximately $0.7 million in savings. We also expect to achieve approximately $2.0 million in savings by replacing Ryan s safety shoe program with a similar program at our company and the adoption of our smallwares management program at Ryan s.

In addition, we expect to achieve additional cost savings through implementation of select marketing initiatives at Ryan s, further application of best practices across both systems (including food preparation and purchasing), further consolidation of back-office and corporate support function, further reduction in benefit plans and further reduction in hourly turnover. All the foregoing statements of expected cost savings are forward-looking statements. We cannot assure you as to when or if the expected cost savings discussed above will be realized. See Risk Factors Risks Relating to Our Business We may not realize the anticipated benefits of our acquisition of Ryan s and we may face certain challenges regarding the integration of Ryan s and Disclosure Regarding Forward-Looking Statements.

Our Strategy

We plan to continue to improve our operating performance through a focus on same-store sales growth and margin expansion, continued enhancement of operational systems and selectively developing new company-operated restaurants and pursuing strategic tuck-in real estate acquisitions.

Focus on Same-Store Sales Growth and Margin Expansion. We are focused on growing same-store sales and margins through several operational initiatives at the restaurant level. These initiatives include:

Menu Enhancements. We have recently introduced new food products, including fresh steak, breakfast omelets, shrimp and baby-back ribs to our menu in all restaurants and will continue to offer new food products. We have historically instituted modest price increases alongside menu enhancements and the installation of display grills to our restaurants. In fiscal 2006, we increased prices by 6.3% versus the comparable period in fiscal 2005. We typically observe an increase in guest counts as a result of new food introductions.

Display Grill Installation. The display grill features a display-style cooking area in the dining room that is highly visible and easily accessible by our customers. A variety of meats and vegetables are grilled daily and available to customers as part of the buffet price. Customers go to the grill and can select hot off-the-grill steak, chicken, seafood or other grilled items. We began installing the display grill in 2005 and have 12 display grills in operation in our restaurants. From the time we installed our display grills in 2005 through September 20, 2006, we have observed favorable guest count increases in our restaurants in which we have display grills. As of September 20, 2006, Ryan s has over 200 display grills in operation.

Marketing Initiatives. We recently implemented an enhanced marketing campaign that focuses on quarterly food-specific promotions. Recent promotions have featured six or seven day steak, breakfast omelets, Shrimp 5 Ways, and steak and baby back ribs. In the past year, we also have refocused our marketing media mix to achieve a more efficient combination of television, radio and billboard advertising. We believe that the new media plan is achieving a rate of market penetration similar to our prior efforts but at a lower media cost.

Vigilant Cost Management. We intend to continue to refine our operations, with a focus on increasing our labor productivity and food cost management while continuing to offer a positive guest experience.

Continuous Focus on Guest Experience. We have placed significant emphasis on improving the guest experience at our restaurants, including improvements in ambiance, food quality and service. We employ a toll-free number that collects in excess of 100,000 guest comments and responses per year. These guest responses are tabulated into guest satisfaction scores that our senior management uses to measure overall customer experience at its restaurants. We have seen a steady rise in these scores since we implemented the toll free number in April 2004. Management has observed that improvement in guest satisfaction scores are typically a leading indicator of same-store sales growth. Our commitment to improved service is reflected in our incentive plan, as store-level bonus programs are tied to the achievement of various service metrics. We plan on monitoring guest experience at Ryan s under the same system.

Breakfast Daypart Expansion. Breakfast is a profitable Saturday and Sunday daypart segment that is offered in all Buffets restaurants and is currently being implemented in the Ryan s system. We intend on continuing the rollout of breakfast at all Ryan s restaurants with completion anticipated by March 2007. With a minimal capital investment of approximately $5,000 per store, the breakfast daypart generates average incremental annual revenues per store of approximately $125,000.

Continued Enhancement of Operational Systems. Our centralized financial and accounting systems allow us to analyze cost, cash management, customer count and non-financial data to understand key profitability drivers. We see opportunities for further efficiency improvements through our management information systems, including electronic food ordering, improved food cost analysis tools and other restaurant data analyses, such as the ability to monitor all aspects of customer satisfaction and ingredient and supply volume usage. Continuous improvement of these systems should engender a continued higher level of food quality and service across our entire network of restaurants, while providing management with the tools necessary to monitor performance at each individual restaurant.

Selectively Develop New Company-Operated Restaurants and Pursue Strategic Tuck-in Real Estate Acquisitions. We intend to open additional company-operated restaurants in our existing markets with relatively lower risk and higher efficiencies than in areas where we do not have an established market position. By opening restaurants in existing markets, we are able to leverage costs and gain efficiencies, including regional supervision, marketing, purchasing, recruiting and training. We also actively evaluate small buffet operations of 3 to 20 units that could be acquired at attractive values for their real estate and converted into one of our principal restaurant brands. For example, we acquired five J.J. Norths restaurants on August 1, 2006. We believe that our existing human resources, technology, marketing, purchasing and training programs are capable of effectively integrating acquisitions. Targeted acquisitions can provide significant synergies, including the ability to increase purchasing scale, leverage marketing spending, increase brand awareness and spread fixed costs over a larger revenue base.

History

Buffets was founded in 1983 to develop buffet-style restaurants under the name Old Country Buffet. In October 1985, Buffets successfully completed an initial public offering with seven restaurants, and by 1988 had 47 company-owned units and nine franchised units. In September 1996, Buffets merged with Hometown Buffets, Inc., a similar publicly-held scatter-bar, buffet-style restaurant company established and developed by one of Buffets co-founders. The merger provided us with additional management expertise and depth, and increased purchasing power and marketing efficiencies. The merger also added 80 company-owned restaurants in 11 states and 19 franchised restaurants in eight states, bringing the total number of restaurants to 346 company-owned restaurants and 24 franchised restaurants in 36 states at December 31, 1996.

Buffets Holdings was formed by Caxton-Iseman Capital, Inc. in 2000. On October 2, 2000, we acquired Buffets in a buyout from its public shareholders. Caxton-Iseman Investments L.P. and other investors, including members of management, made an equity investment in us and became the beneficial owners of 100% of our existing common stock. Buffets Holdings is a holding company whose assets consist substantially of the capital stock of Buffets.

On December 29, 2005, Buffets Holdings entered into a contribution agreement with Caxton-Iseman Investments, L.P., Sentinel Capital Partners II, L.P., members of Buffets Holdings senior management and Buffets Restaurants Holdings, a newly formed corporation (the Contribution Agreement). In accordance with the contribution agreement holders of 100% of Buffets Holdings outstanding common stock contributed their shares of common stock of Buffets Holdings to Buffets Restaurants Holdings in exchange for proportional amounts of Buffets Restaurants Holdings common stock. As a result, Buffets Holdings is a wholly-owned subsidiary of Buffets Restaurants Holdings.

On November 1, 2006, Buffets and Ryan s completed a merger transaction valued at approximately $834.0 million, including debt that was repaid at closing. Pursuant to the Merger Agreement, Merger Sub merged with and into Ryan s, with Ryan s remaining as the surviving corporation. As a result of the Ryan s acquisition, Ryan s became a wholly-owned subsidiary of Buffets. See The Ryan s Acquisition and Related Transactions for a more detailed description of the Ryan s acquisition.

Ryan s Concept Overview

Ryan s restaurants are family-oriented restaurants serving a wide variety of foods from centrally located food bars known collectively as the Mega Bar® buffet, as well as grilled entrees such as charbroiled steaks, hamburgers, chicken and seafood. The Mega Bar® includes fresh and pre-made salads, soups, cheeses, a variety of hot meats and vegetables, and hot yeast rolls prepared and baked daily on site. All restaurants have their Mega Bar® in a scatter bar format. This format breaks the Mega Bar® into island bars for easier customer access and more food variety. All meals include a trip to a bakery bar. Bakery bars feature hot and fresh-from-the-oven cookies, brownies and other bakery products as well as various dessert selections, such as ice cream, frozen yogurt, fresh fruit, cakes, cobblers and several dessert toppings. All restaurants also offer a variety of non-alcoholic beverages.

Ryan s began a weekend breakfast buffet program during 2005, and there were 270 restaurants serving breakfast on Saturdays and Sundays as of September 20, 2006. Customers are offered a wide variety of breakfast foods, including cooked-to-order eggs and omelets, pancakes, waffles, hash browns, sausage, bacon, ham, pastries, cold cereal, juices and fresh fruit. Ryan s management plans to offer breakfast in all restaurants by March 2007.

Ryan s current restaurant design features a display-style cooking area that is in the dining room and is very visible and easily accessible to customers. A variety of meats and vegetables are grilled daily and available to customers as part of the buffet price. Customers go to the grill and can get hot, cooked-to-order steak, chicken, seafood or other grilled items placed directly from the grill onto their plate. This format was first implemented during 2000, and at September 20, 2006, 225 of Ryan s restaurants operated with the display cooking format. In 2006, all new restaurants will open with display cooking, and current plans for the second half of 2006 call for the conversion of eight to ten Ryan s restaurants to this format.

Ryan s restaurants are generally open seven days a week with typical hours of operation being 10:45 a.m. to 9:30 p.m. Sunday through Thursday and 10:45 a.m. to 10:30 p.m. Friday and Saturday. Those stores serving breakfast open at 7:30 a.m. on Saturday and Sunday. The average customer count per restaurant during the first six months of 2006 was approximately 5,800 per week, and the average meal price per person was $8.39, including beverage. This average meal price includes the price of beverages, which are charged separately from the meal. Ryan s management believes that the average table turns over every 30 to 45 minutes.

Each company-owned restaurant is located in a free-standing masonry building that is typically about 10,000 square feet. The interior of most restaurants generally contains two or three dining rooms with seating for approximately 400 customers in total, an area where customers both order and pay for their meals and a kitchen area. The focal points of the main dining room are the Mega Bar® and a bakery bar. In restaurants with display cooking, the display-style grill is prominently visible from where customers enter the restaurant. Parking lots at the restaurants vary in size, with available parking generally ranging from 125 to 200 cars.

Restaurant Operations, Controls and Management Training

Buffets. In order to maintain a consistently high level of food quality and service in all of our restaurants, we have established uniform operational standards. These standards are implemented and enforced by the managers of each restaurant. We require all restaurants to be operated in accordance with rigorous standards and specifications relating to the quality of ingredients, preparation of food, maintenance of premises and employee conduct.

Each buffet restaurant typically employs a Senior General Manager or General Manager, Kitchen Manager, Service Manager and Food Bar Manager (collectively referred to as restaurant managers). Each of our restaurant General Managers has primary responsibility for day-to-day operations in one of our restaurants, including customer relations, food service, cost controls, restaurant maintenance, personnel relations, implementation of our policies and the restaurant s profitability. A portion of each General Manager s and other restaurant managers compensation depends directly on the restaurant s profitability. Bonuses are paid to buffet restaurant managers each period based on a formula percentage of controllable restaurant profit. We believe that our compensation policies have been important in attracting, motivating and retaining qualified operating personnel.

Each buffet restaurant general manager reports to an Area Director or Senior Area Director who reports to a Regional Vice President. Each Regional Vice President reports to our Executive Vice President of Operations. Our Tahoe Joe s Famous Steakhouse restaurants are operated by our wholly-owned subsidiary Tahoe Joe s, Inc. and the divisional President overseeing Tahoe Joe s reports to the Chief Executive Officer of Buffets.

We maintain centralized financial and accounting controls for all of our restaurants. On a daily basis, restaurant managers forward customer counts, sales, labor costs and deposit information to our headquarters. On a weekly basis, restaurant managers forward a summarized profit and loss statement, sales report, supplier invoices and payroll data.

We have a series of training programs that are designed to provide managers with the appropriate knowledge and skills necessary to be successful in their current positions. All new restaurant managers hired from outside our organization and hourly employees considered for promotion to restaurant management are required to complete nine days of classroom training at our corporate headquarters in Eagan, Minnesota. After their initial instruction, new management candidates continue their training for four weeks in one of our certified training restaurants. The information covered in manager training includes basic management skills, food production, labor management, operating programs and human resource management.

Advancement is tied to both current operational performance and training. General Managers may be selected to attend a specialized five-day training program conducted at our corporate headquarters. This program focuses on advanced management skills with emphasis on team building and performance accountability.

In addition to these programs, we conduct a variety of field training efforts for store management covering topics such as new product procedures, food safety and management development.

Ryan s. Ryan s emphasizes standardized operating and control systems together with comprehensive recruiting and training programs in order to maintain food and service quality. In each restaurant, Ryan s management team typically consists of a general manager or operating partner (under the Operating Partner Program described below), a manager, an assistant manager and an associate manager. Management personnel begin employment at the manager trainee level and complete a formal four-week training program at Ryan s management training center in Greer, South Carolina prior to being placed in associate manager positions. All restaurant managers continue their training through various training manuals and classes developed by Ryan s.

Each restaurant management team reports to a district manager or district partner (under the District Partner Program described below). Individuals in these positions normally oversee the operations of four to eight restaurants and report to one of nine regional directors who may be at the Vice President level and, in every case, report to the Vice President-Operations. Communication and support from all corporate office departments are designed to assist all restaurant supervisory personnel (collectively referred to hereafter as Restaurant Supervision) in responding promptly to local concerns.

Ryan s compensation program includes incentive bonuses for general managers, operating partners and managers and for all Restaurant Supervision. General managers and managers are paid monthly bonuses based on the sales volumes of their individual restaurants with deductions for excess spending in key expense areas. The Operating Partner Program is described in the following paragraph. District managers are paid quarterly bonuses based principally on same-store sales, profitability and certain qualitative factors. Regional director bonuses are also paid quarterly and are based principally on same-store sales, profitability and certain restaurant-level non-financial measurements concerning staffing, training and customer satisfaction.

Ryan s Operating Partner Program provides general managers with an additional career path and an opportunity to share in the profitability of their stores. After being selected for the Program, a general manager is promoted to Operating Partner and then receives a salary increase and monthly bonuses based on both the operating profit and sales level of the restaurant. Additional bonuses are earned for same-store sales increases. An Operating Partner who completes his or her five years as an Operating Partner is eligible for promotion to Senior Operating Partner. Upon acceptance into such program, a new Senior Operating Partner receives a salary increase and continues on the Operating Partner bonus program. At September 20, 2006, there were 68 Operating Partners and 42 Senior Operating Partners in place, collectively representing 110 or 33% of Ryan s restaurants at that date.

In 1999, Ryan s initiated a District Partner Program in order to reward top-performing district managers who were ready to assume additional responsibilities. After being selected for the Program, a district manager is promoted to District Partner and then receives monthly bonuses based on both the operating profits and sales levels of the restaurants under his or her supervision. At September 20, 2006, there were 16 District Partners supervising 108 restaurants.

Research and Development, Menu Selection and Purchasing

Our processes of developing new food offerings and establishing standard recipes and product specifications are handled at the headquarters. Specialists drawn from our Food and Beverage, Marketing, Concept Development, Operations and Purchasing Departments lead this effort. Before new items are introduced or existing products are modified, a program of testing within limited markets is undertaken to assess customer acceptance and operational feasibility. Food quality is maintained through centralized supplier coordination and frequent restaurant visits by Area Directors and other management personnel.

Our new product activity includes an ongoing roll-out of new items to keep the guest experience fresh. Additionally, we have periodic promotions, wherein a specific theme, such as BBQ, Italian, Asian, Seafood, Steak or Mexican, is highlighted on a given night. Each spring and fall, we introduce a seasonal menu to provide variety and more seasonally appropriate food. Furthermore, although most of the menu is similar for all of our buffet restaurants, individual restaurants have the option to customize a portion of the menu to satisfy local preferences.

Headquarters personnel negotiate major product purchases directly with manufacturers on behalf of all of our restaurants for all food, beverage and supply purchasing, including quality specifications, delivery schedules and pricing and payment terms. Each restaurant manager places orders for inventories and supplies with, and receives shipments directly from, distributors and local suppliers approved by us. Restaurant managers approve all invoices before forwarding them to our headquarters for payment. To date, we have not experienced any material difficulties in obtaining food and beverage inventories or restaurant supplies. We rely on a third party supplier to provide approximately 75% of the food products used in our restaurants.

Franchising and Joint Ventures

Buffets. We currently franchise 18 buffet restaurants under the Old Country Buffet® and HomeTown Buffet® names. One large franchisee comprises approximately 78% of the franchise base with small operators holding the remaining units. Franchisees must operate their restaurants in compliance with our operating and recipe manuals. Franchisees are not required to purchase food products or other supplies through us or our suppliers. Each franchised restaurant is required at all times to have a designated General Manager and Manager who have completed the required manager training program.

Ryan s. While Ryan s has granted franchises in the past, its management has not actively pursued new franchisees in recent years and it currently has no existing franchises.

Advertising and Promotion

Buffets. We market our buffet restaurants through a two-tiered marketing approach including mass media advertising and community based marketing. Mass media advertising, predominantly television, is used when we can receive a profitable return on expenditures. Our media plan is based on an efficient media mix, including television, radio, outdoor print and tour industry advertising. As of September 20, 2006, approximately 71% of our buffet restaurants are in markets supported by mass media advertising.

We have instituted a disciplined approach to advertising expenditures, designed to increase the efficiency of our marketing dollars by focusing on high-return markets and specific food theme promotions. These theme promotions feature a variety of popular cuisine categories, such as BBQ, Italian, Asian, Seafood or Mexican. Food promotions are designed to keep the guest experience fresh and capitalize on current consumer trends.

Community based marketing is the responsibility of each store; however, events and activities are coordinated and monitored centrally by our Community Marketing Department. Our local marketing efforts are designed to build relationships with the community and drive incremental visits through specific, targeted community events. Most restaurants employ a dedicated community marketing representative to execute a trading area-specific plan of local events.

Ryan s. Ryan s has not relied extensively on advertising, spending less than one percent of restaurant sales in fiscal years 2006, 2005, and 2004 on advertising. In 2005 and for six months ended June 28, 2006, Ryan s advertising efforts consisted principally of targeted meal discounts utilizing coupons, billboard advertising, newspaper ads and a store-level local marketing program. Local marketing focuses on building customer relationships through community involvement and may include activities such as sponsoring a youth

74

sports team, providing a meeting place for organizations or providing food for a special community event. The emphasis is on building relationships at the restaurant level that lead to word-of-mouth advertising and, in turn, to increased restaurant sales.

Competition

The food service industry is highly competitive. Menu, price, service, convenience, location and ambiance are all important competitive factors. The relative importance of many such factors varies among different segments of the consuming public. By providing a wide variety of food and beverages at reasonable prices in an attractive and informal environment, we seek to appeal to a broad range of value-oriented consumers. We believe that our primary competitors in this industry segment are other buffet and grill restaurants, as well as traditional family and casual dining restaurants with full menus and table service. Secondary competition arises from many other sources, including home meal replacement and fast food. We believe that our success to date has been due to our particular approach combining pleasant ambiance, high food quality, wide menu breadth, cleanliness, reasonable prices, and satisfactory levels of service and convenience.

Employees

Buffets. As of September 20, 2006, we had approximately 21,000 employees. Except for approximately 360 corporate employees, approximately half of which worked at our corporate headquarters, our employees worked at our 340 company-owned restaurants. Generally, each of our buffet restaurants operate with three to four salaried managers and approximately 50-60 hourly employees.

Ryan s. As of September 20, 2006, Ryan s employed approximately 21,900 persons, of whom approximately 21,600 were restaurant personnel. The remainder worked at Ryan s corporate headquarters.

Neither our nor Ryan s employees are unionized. We have never experienced any work stoppages and believe that our employee relations are good.

Our average wage costs have been reasonably stable for the past three fiscal years largely due to macro-economic conditions. Historically, in times of increasing average wage costs, we have been able to offset wage cost increases through increased efficiencies in operations and, as necessary, through retail price increases. There can be no assurance that we will continue to be able to offset wage cost increases in the future.

Restaurant Locations

Our restaurants are located in both urban and suburban areas in a variety of strip shopping centers, malls and freestanding buildings. Pro forma for the Ryan s acquisition and Sale-Leaseback Transaction, we lease all of our restaurant locations located in strip shopping centers and malls. All Ryan s restaurants are located in freestanding masonry buildings. Of our 117 restaurants located in freestanding buildings, we own the building and land for one of the restaurants. The remaining 116 restaurants are operated in company-funded leasehold improvements located on leased land or in facilities where we lease both the underlying land and the leasehold improvements.

Our leases are generally for 10 or 15 year terms, with two to four options exercisable at our discretion to renew for a period of five years each. The leases provide for rent to be paid on a monthly basis.

Our corporate headquarters is located in leased facilities in Eagan, Minnesota.

Table of Contents

As of September 20, 2006, we, our franchisees and Ryan s operated 691 locations as follows:

State	Number of Buffets Company-Owned Restaurants	Number of Ryan s Restaurants	Number of Buffets Franchised Restaurants	Total Number of Units
Alabama		22		22
Arizona	5		8	13
Arkansas		11		11
California*	99		1	100
Colorado	12		1	13
Connecticut	6			6
Delaware	1			1
Florida	2	4		6
Georgia	1	37		38
Idaho	1			1
Illinois	31	10		41
Indiana	6	16		22
Iowa	3	3		6
Kansas	2	4		6
Kentucky	3	13		16
Louisiana		21		21
Maine	1			1
Maryland	8	1		9
Massachusetts	9			9
Michigan	20	7		27
Minnesota	15			15
Mississippi		12		12
Missouri	10	18		28
Nebraska			3	3
New Jersey	8			8
New Mexico			2	2
New York	15			15
North Carolina		24		24
Ohio	12	18		30
Oklahoma	2	6		8
Oregon	8			8
Pennsylvania	21	6		27
Rhode Island	1			1
South Carolina		33		33
Tennessee	1	27		28
Texas	2	25		27
Utah			2	2
Virginia	6	9		15

Washington	16			16
West Virginia		6		6
Wisconsin	12			12
Wyoming	1		1	2
Total	340	333	18	691

* Includes nine Tahoe Joe s restaurants.

76

Table of Contents

We plan to sell or dispose of certain non-core assets consisting of approximately 44 underperforming or previously closed Ryan s restaurants and approximately 13 undeveloped or non-operating properties, which we will acquire in the Ryan s acquisition, in our ordinary course of business.

The following table sets forth information concerning our owned property on a pro-forma basis giving effect to the Sale-Leaseback Transaction, other than the non-core assets that we plan to sell or dispose as discussed in the paragraph above:

Location