



The Steak n Shake Company Reports Fiscal First Quarter 2007 Results

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First Quarter Total Revenues Grew 6.1% - Company Opens 6 New Restaurants -

The Steak n Shake Company (NYSE:SNS) today announced its revenues and earnings for the first quarter 2007 ended December 20, 2006.

Highlights for Fiscal First Quarter Include:

- Total revenues increased 6.1% to \$147.3 million
- Net earnings were \$4.2 million and diluted earnings per share were \$0.15
- Six new restaurants opened during the first quarter

Fiscal First Quarter 2007 Results

Total revenues for the fiscal first quarter 2007 grew 6.1% to \$147.3 million from \$138.7 million in the same quarter last year. Same-store sales during the first quarter declined 1.7%, improving from a decline of 3.4% in the fourth quarter of fiscal 2006.

Net earnings for the fiscal first quarter 2007 were \$4.2 million, or \$0.15 per diluted share, compared to \$4.7 million, or \$0.17 per diluted share, in the prior year period. During the quarter the Company opened five new Company-owned restaurants and one new franchise unit.

Peter Dunn, President and Chief Executive Officer commented, "During the first quarter we continued to focus on our top priority of executing initiatives to create sustainable same store sales momentum through improved store execution, new product innovation, and optimization of the Steak n Shake concept. Although same store sales remained negative during the quarter, we are encouraged by the improvement since the fourth quarter of fiscal 2006. We believe the current initiatives will enable us to make progress on the fundamentals and accelerate positive same store sales momentum over time, which will allow us to perform more consistently in all market conditions, and unlock the long-term growth potential of the Steak n Shake brand."

As of December 20, 2006, there were 483 Steak n Shake restaurants operating in 19 states, including 434 Company-owned restaurants and 49 franchise units.

Fiscal 2007 Guidance

The Company reiterate its previously communicated guidance for fiscal year 2007. The Company anticipates diluted earnings per share in the range of \$0.90 to \$1.00. This is based on expected same store sales growth of positive 1% to down 3%. The Company anticipates opening approximately 15 Company-owned restaurants and at least 7 franchise units in fiscal 2007. During the year, the Company will review all aspects of the current organization and will take any necessary actions to ensure sales and earnings momentum going forward. Any actions which would affect cash flow have been estimated and are included in the earnings per share guidance above. In addition, the Company will continue reviewing all underperforming stores and will develop a plan to improve each store's performance or dispose of the assets.

THE STEAK N SHAKE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
TWELVE
WEEKS ENDED

(Amounts in \$000's, except share and per share data)	12/20/2006 (UNAUDITED)	12/21/2005 (UNAUDITED)	12/20/2006 (UNAUDITED)	12/21/2005 (UNAUDITED)
Revenues				
Net sales	\$146,458	99.5%	\$137,852	99.4%
Franchise fees	808	0.5%	889	0.6%
Total Revenue	147,266	100.0%	138,741	100.0%
Costs and Expenses				
Cost of sales (1)	33,070	22.6%	31,520	22.9%
Restaurant operating costs (1)	75,468	51.5%	69,791	50.6%
General and administrative	13,555	9.2%	12,472	9.0%
Depreciation and amortization	7,226	4.9%	6,397	4.6%
Marketing	6,426	4.4%	5,852	4.2%
Interest	3,133	2.1%	2,787	2.0%
Rent	3,048	2.1%	2,534	1.8%
Pre-opening costs	934	0.6%	1,179	0.8%
Provision for restaurant closing	(66)	0.0%	0	0.0%
Other income, net	(405)	-0.3%	(656)	-0.5%
	142,389	96.7%	131,876	95.1%
Earnings Before Income Taxes	4,877	3.3%	6,865	4.9%
Income Taxes (2)	712	0.5%	2,206	1.6%
Net Earnings	\$4,165	2.8%	\$4,659	3.4%
Net Earnings Per Common and Common Equivalent Share:				
Basic	\$0.15		\$0.17	

Diluted	\$0.15	\$0.17
Weighted Average Shares and Equivalents:		
Basic	27,907,125	27,631,153
Diluted	28,131,733	27,929,453

(1) Costs of sales and restaurant operating costs are expressed as a percentage of net sales.

(2) Income taxes for the first quarter of fiscal year 2007 include a \$650 benefit related to the Work Opportunity and Welfare to Work Tax Credits, which were reinstated during the quarter with retroactive treatment to January 1, 2006.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in \$000's)	12/20/2006 (UNAUDITED)	09/27/2006 (UNAUDITED)
Assets		
Current assets	\$28,365	\$30,920
Property and equipment - net	500,431	490,142
Other assets	25,182	21,459
Total assets	\$553,978	\$542,521
Liabilities and Shareholders' Equity		
Current liabilities	\$90,321	\$83,083
Deferred income taxes and credits	9,749	9,605
Obligations under capital leases	142,909	143,996
Long-term debt	18,788	18,802
Shareholders' equity	292,211	287,035
Total liabilities and shareholders' equity	\$553,978	\$542,521

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

TWELVE

WEEKS ENDED

(Amounts in \$000's)	12/20/2006 (UNAUDITED)	12/21/2005 (UNAUDITED)
Net cash provided by operating activities	\$15,916	\$17,509
Net cash used in investing activities	(18,578)	(16,888)
Net cash provided by (used) in financing activities	2,994	(201)
Increase in Cash and Cash Equivalents	\$332	\$420

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