

Rubio's Restaurants, Inc. Reaches Settlement Agreement for Class Action Lawsuit  
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Rubio's Restaurants, Inc. (NASDAQ:RUBO) announced today it has reached an agreement to settle its previously disclosed class action lawsuit related to how the Company classified certain employees under California overtime laws.

The lawsuit is similar to numerous lawsuits filed against restaurant operators, retailers and others with operations in California.

The settlement agreement, which is subject to court approval, provides for a settlement payment of \$7.5 million payable over three installments. The first \$2.5 million installment is due 65 days after final approval of the settlement and dismissal. The second \$2.5 million installment is due 18 months after the date of the final approval and dismissal. The third and final installment of \$2.5 million is due 36 months after final approval of the settlement and dismissal. Financing charges of 3% simple interest equal to \$337,500 will also be due and payable 36 months after final approval and dismissal. The Company denies the allegations in the complaint.

The settlement will result in a one-time pre-tax charge of \$8.4 million in the fourth quarter of fiscal 2006 which includes the settlement amount, interest and estimated legal costs to be incurred related to this agreement.

"I am pleased that we are able to put this litigation behind us," said Dan Pittard, Rubio's President and CEO. "I look forward to focusing on growing the Company."

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