

The Steak n Shake Company Reports Fiscal Second Quarter 2007 Results

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Highlights of the fiscal second quarter include:

* Total revenues increased 2.3% to \$202.2 million

* Net earnings were \$6.0 million

* Diluted earnings per share were \$0.21

Fiscal Second Quarter 2007 Results

Total revenues for the fiscal second quarter 2007 grew 2.3% to \$202.2 million compared to the same quarter last year. Same-store sales declined 4.7% with approximately 1.7% of the decline related to adverse weather in February and March that impacted much of Steak n Shake's Midwest market.

Net earnings for the fiscal second quarter 2007 were \$6.0 million, or \$0.21 per diluted share, compared to \$8.5 million, or \$0.30 per diluted share, in the prior year period.

Peter Dunn, President and Chief Executive Officer commented, "While we continue to make progress on key operating fundamentals, it has not been enough to offset economic challenges. During the quarter we experienced the impact of adverse weather in our core markets as well as consumer reaction to rising gas prices and higher interest rates. In addition, our Southeastern markets have been further impacted by regional economic factors.

"While fiscal 2007 continues to be a very challenging year, we are determined to shape our future by enhancing the design and execution of the Steak n Shake business model based on recently completed research called the 'Guest Winning Promise' and related projects. This research provides powerful insights on how to optimize critical dimensions of the business including the design of our service model, food offerings as well as building interior and exterior design. We believe these insights have the potential to drive same store sales and enhance the economics of Steak n Shake over time."

As of April 11, 2007, there were 490 Steak n Shake restaurants operating in 20 states, including 439 Company-owned restaurants and 51 franchised units. During the quarter, the Company opened 6 new restaurants in four states and one franchise unit.

Fiscal 2007 Guidance

Given the difficult economic environment outlined above, the Company is revising the full year diluted earnings per share guidance for fiscal year 2007 to a range of \$0.53 to \$0.67. This includes a non-cash charge of \$0.14 to \$0.17 of fully diluted earnings per share related to the anticipated closure of 10 to 15 underperforming units during the remainder of fiscal 2007, and \$0.04 to \$0.05 of diluted earnings per share of non operating expenses related to evolution of the organization and completion of major IT projects. These expenses will be incurred in the back half of the 2007 fiscal year. This compares to the previous range of \$0.90 to \$1.00.

The revised guidance is based on expected same store sales of down 2% to 4%, which is being revised from the previous same store sales guidance range of positive 1% to down 3%.

The Company also reaffirmed the opening of approximately 15 Company-owned restaurants and at least 7 franchise units during fiscal 2007.

New Board of Directors Member

The Company is also pleased to announce that Geoffrey Ballotti recently joined its Board of Directors. Mr. Ballotti is a graduate of Colby College and Harvard Business School. He is a senior executive with Starwood Hotels & Resorts Worldwide and currently serves as the President of its North American division. Mr. Ballotti will serve on the Company's Audit, Nominating/Corporate Governance and Personnel/Benefits Committees.

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