

EPL Intermediate, Inc. Announces Results for the First Quarter Ended March 28, 2007

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The Company reported operating revenue for the 13-week first quarter ended March 28, 2007 of \$66.8 million, which is an increase of \$3.6 million, or 5.8%, over operating revenue for the 13-week first quarter ended March 29, 2006 of \$63.2 million.

Operating revenue includes both sales at company-operated restaurants and franchise revenue.

Same-store sales for the system increased 2.4% in the first quarter of fiscal 2007, with company-operated restaurant same-store sales increasing 0.8% and franchise restaurant same-store sales increasing 3.9%. The components of the company-operated same store sales growth were a price increase of 2.4%, a transaction decrease of 2.5%, and a menu mix increase of 0.9%.

Operating income increased \$0.7 million, or 9.3%, to \$7.8 million for the first quarter of fiscal 2007 from \$7.1 million for the first quarter of fiscal 2006. This increase is partially due to the increased revenue from new restaurants and higher sales from existing restaurants. Other significant items impacting the comparison of operating income include:

œ 1.4% decrease in product cost as a percentage of restaurant revenue, which resulted primarily from the menu price increase taken in January of 2007;

œ 0.8% increase in restaurant labor costs as a percentage of restaurant revenue due to increased spending on manager training, the increase in minimum wage, and increased workers' compensation expense in the current period; and

œ 0.5% decrease in general and administrative expenses as a percentage of revenue (although the total dollar comparison was relatively flat) due to the leverage against higher revenue in the first quarter of 2007 compared to 2006.

Interest expense, net of interest income, increased \$0.2 million, or 2.9%, to \$7.3 million for the first quarter of 2007 from \$7.1 million for the prior year quarter. Average debt balances for the first quarter of 2007 increased to \$260.8 million compared to \$259.1 million for the first quarter of 2006.

As a result of the factors above, net income for the first quarter of fiscal 2007 increased to \$234,000 compared with \$9,000 for the prior year quarter.

Commenting on the first quarter 2007 results, Stephen Carley, president and CEO of El Pollo Loco, Inc., said, 'Consistent with our expectations, same store sales growth was modest in the early part of fiscal 2007 as we compared against strong early 2006 comparable growth numbers. Despite the hurdle of double digit same store sales growth in the first quarter of 2006, I am pleased to report positive system-wide sales growth in the first quarter of 2007.'

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