

Granite City Food & Brewery - 22 new restaurants to be built in 2009 - 2012

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Granite City Food & Brewery Enters Into Long-Term Development Agreement with United Properties

Granite City Food & Brewery Ltd. (Nasdaq: GCFB) a Modern American upscale casual restaurant chain, today announced the signing of a long-term development agreement with United Properties, a nationally recognized real estate investment and development company. United Properties, based in Minneapolis, Minnesota, offers development expertise in office, industrial, retail, medical, residential and mixed-use projects and currently has 17 projects totaling almost 3 million sq. ft. under development in Minneapolis, Milwaukee, Wis. and Denver, Colo.

Highlights of the Agreement:

22 new restaurants to be built in 2009 - 2012

United will act as our developer for these 22 stores and have the first option to develop anything above this minimum amount through 2012.

United will be responsible for all costs related to the land and building.

GCFB will have the right of first offer to purchase stores owned by United.

The annual lease rate on all land and buildings developed by United will reduce GCFB's current lease rate by 100 basis points on fee simple transactions.

United will periodically sell buildings developed for GCFB and will share a portion of the profits with GCFB

John Breiting, vice president - Retail Development, United Properties said, 'We are excited to partner with Granite City. We really admire their operations. We will help them accelerate the growth of their business by bringing our development and site selection expertise, capital and our construction experience.'

Steve Wagenheim, CEO and President of Granite City commented, 'Our development agreement with United Properties enables Granite City to properly plan and manage our long-term real-estate needs and a balanced development cycle. We are pleased to have a Company such as United Properties realize the national potential of the Granite City concept. We look forward to the relationship and the benefits this brings to our Company.'

He added, 'Those benefits include a strong foreseeable pipeline of sites and the flexibility in site selection, with a team approach to all areas of our business. It further increases our ability to lower our overall cost of capital, as well as reducing our building costs by eliminating middleman pricing when raw goods and FFE are ordered for each store individually. Finally, I would be remiss in not thanking Don Dunham and the Dunham Corporation for serving as our primary developer during the early stages of our lifecycle.'

About Granite City

Granite City Food & Brewery Ltd. is a Modern American upscale casual restaurant chain that operates 25 restaurants in twelve (12) states. The menu features affordable yet high-quality, family favorite menu items prepared from made-from-scratch recipes and served in generous portions. The sophisticated yet unpretentious restaurants, proprietary food and beverage products, attractive price points and high-service standards combine for a great dining experience. Granite City opened its first restaurant in St. Cloud, Minnesota in 1999.

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