

Rick's Cabaret International, Inc. Reports Third Quarter Results and Provides New Guidance for Investors
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Rick's Cabaret International, Inc., the premier operator of upscale gentlemen's clubs, today reported record revenues for its third quarter ended June 30, 2008 of \$16.28 million with net income of \$1.83 million, compared with \$8.45 million and \$1.03 million, respectively, for the same period last year. Earnings per diluted share for the quarter were 21 cents, compared with 16 cents in 2007.

'While we had a great same store sales performance with an 8.4 per cent increase over last year, our income would have been much more impressive had we not been impacted by approximately \$775,000 in start up and other costs related to three items -- the expense of opening clubs in Dallas and Philadelphia, our inability to recapture about \$125,000 for the so-called 'Pole Tax' imposed by the state of Texas pending an appeal by the state of a judge's ruling that the tax is unconstitutional, and by revenue timing issues in our media division that resulted in a loss for this unit,' said Phil Marshall, CFO of Rick's Cabaret.

'During our third quarter we booked revenue from only one edition of Exotic Dancer Magazine, and will not book revenue from the Gentlemen's Club Expo that takes place in Las Vegas this month until our fourth quarter,' Mr. Marshall noted. He added that the Company's earnings per share were also affected by the issuance of 672,000 shares in June.

Eric Langan, President and CEO, said: 'Both our internal growth and expansion by acquisition programs continue on course and we are looking forward to a strong performance at Rick's Cabaret Minneapolis in our fourth quarter, which should benefit from the Republican National Convention in early September.' He noted that the company's cash position increased to approximately \$13 million at the end of the quarter due to strong cash flow and a recent capital raise.

During the conference call Mr. Langan plans to advise investors that fiscal 2008 revenues will be about \$60 million and earnings per share will be about \$1.02 based on anticipated earnings of about \$2.4 million in the fourth quarter. These figures do not include any revenue from the pending Scores-Las Vegas transaction. He further said the Company's 2009 outlook will be revised to reflect earnings per share of \$2.00 to \$2.20 based on revenues exceeding \$100 million.

Among the other highlights of the quarterly report, the company said cash provided by operating activities for the nine months ended June 30, 2008 was over \$9.73 million, compared with \$2.65 million for the same period in 2007.

Revenues for the company for the nine months ended June 30, 2008 were \$42.70 million, compared with \$23.05 million for the same period in 2007 while net income for the first nine months was \$6.22 million compared with \$1.88 million last year, and earnings per diluted share for the first nine months total 77 cents compared with 32 cents last year.

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