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FOR IMMEDIATE RELEASE

Two Louisiana Shoney's Restaurants Become Franchisee Owned and Operated

NASHVILLE, Tenn. (Aug. 2, 2005) – Shoney's Restaurants announced today that two corporate-owned Shoney's Restaurants in Louisiana have been purchased and will be operated by franchisee Ben Banerjee.

“Shoney's current strategy is to increase the number of franchisee-owned restaurants because the brand works best in the hands of franchisees who have strong ties to the community,” said Rodger Head, president and COO of Shoney's Restaurants.” In the next few months, more than 25 corporate restaurants throughout the United States will become franchisee owned and operated.”

Banerjee will own and operate the restaurants located at 208 Thomas Rd., West Monroe, and 16 McArthur Dr., Alexandria. In addition, Banerjee also owns and operates Shoney's Restaurants in Natchitoches and Bossier City, La., and Davie, Fla.

Banerjee said, “Shoney's brand has a solid reputation as one of America's favorite family-dining restaurants, and to say I own five Shoney's Restaurants is a honor.”

Head added, “This is an exciting time at Shoney's Restaurants. For the first time in 13 years, Shoney's is celebrating positive same-store sales. That's a direct result of the dedication and professionalism of franchisees like Ben who believe in the brand's vitality and heritage.”

Last year, Shoney's launched an initiative that focuses on re-franchising. As part of this initiative, new franchisees receive more in-the-field training, restaurants will receive a new look and a new franchisee agreement was developed that encourages greater involvement in marketing decisions from operators.

Joe Phraner, vice president of franchise services at Shoney's, says the focus on re-franchising has paid off. "Refranchising has played an important role in returning Shoney's to the brand it once was. Franchisees now have more say in marketing efforts and are considered important contributors to our renewed success," he said.

Shoney's Restaurants is headquartered in Nashville, Tenn., and owns, operates and franchises more than 350 restaurants in 23 states.

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