



For additional information contact: Rick Black, 713-329-6808

FOR IMMEDIATE RELEASE

Luby's Announces Plans to Develop Two New Restaurants to Open in 2007

HOUSTON, TX – September 14, 2005 - Luby's, Inc. (NYSE: LUB) today announced plans to begin development of two new cafeteria restaurants in the Texas market to open in 2007. The development process will include an enhanced cafeteria design, the purchase or lease of land in high growth areas and the construction of the new units.

“We’ve made a great deal of progress over the past several years reducing our debt, enhancing our food quality and variety, improving our operational efficiency and increasing our same-store sales,” said Chris Pappas, President and CEO. “In fiscal 2006 we will continue to invest capital into our existing stores and focus on same-store sales growth while developing two new stores.”

Chris Pappas, President and CEO of Luby's, will be a presenter at today's First Dallas Securities 2005 Semi-Annual Investment Forum in Dallas, Texas. Mr. Pappas is scheduled to present at the conference at approximately 3:30 p.m. Central. A live audio webcast of the presentation will be available via the Company's website at www.lubys.com/aboutusEvents.asp for all interested parties to listen online. A replay of the webcast will also be available on the Company's website soon after the presentation is concluded.

About Luby's

Luby's provides its customers with delicious, home-style food, value pricing, and outstanding customer service at its 131 restaurants in Dallas, Houston, San Antonio, the Rio Grande Valley, and other locations throughout Texas and other states. For more information about Luby's, visit the Company's website at www.lubys.com.

The company wishes to caution readers that various factors could cause its actual financial and operational results to differ materially from those indicated by forward-looking statements made from time to time in news releases, reports, proxy statements, registration statements, and other written communications, as well as oral statements made from time to time by representatives of the company. Except for historical information, matters discussed in such oral and written communications are forward-looking statements that involve risks and uncertainties, including but not limited to general business conditions, the impact of competition, the success of operating initiatives, changes in the cost and supply of food and labor, the seasonality of the company's business, taxes, inflation, governmental regulations, and the availability of credit, as well as other risks and uncertainties disclosed in periodic reports on Form 10-K and Form 10-Q.

####