

News Release

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FOR IMMEDIATE RELEASE

Luby's Announces Election of Gasper Mir as Board Chairman

- Transition to Occur at Beginning of 2004 Fiscal Year -

SAN ANTONIO, TX - June 27, 2003 - Luby's announced today the election of Gasper Mir of Houston to become its new board chairman effective at the beginning of its coming fiscal year on August 28, 2003. Mir presently serves as chairman of the finance and audit committee of the Luby's board and for fifteen years led the Houston-based accounting firm that he founded in 1988. Mr. Mir is currently serving as executive advisor to the superintendent of the Houston Independent School District.

"I'm excited about this opportunity to help Luby's as the company works to implement the two-year business plan," said Gasper Mir, incoming board chairman. "I salute Bob Herres for all of his hard work on behalf of Luby's - he has indeed set a high standard for us all."

Luby's outgoing chairman, Robert T. Herres, will retire from the board of directors at the close of the fiscal year when he is replaced by Mir. Herres joined the board in January 2000 and was elected chairman in March 2001 in conjunction with the management change in the company that took place at the time.

"Over the past two years, Bob has been an invaluable partner to Luby's in our efforts to help make the company stronger and healthier," said Chris Pappas, President and CEO. "His guidance and experience have provided us with tremendous support, and we will truly miss his wise counsel."

At the January 2003 annual shareholders' meeting, Herres announced that, while his first three-year term of board service ended at that meeting, his election for another term would be in conflict with the age policy of the company. Board policy precludes election or reelection for another term on the Luby's board after a member reaches the age of seventy. However, under appropriate circumstances, the board may waive this restriction when it believes the situation justifies such action. Herres explained to shareholders then that he had passed this age limit, but that he had agreed to serve an additional year in order to lead the board through the ongoing transition to the new management team.

On presentation of his resignation, Herres pointed out that he had accepted the responsibility of chairman of the Luby's board of directors for the purpose of facilitating the critical period of transition to a new management team, and will have served for two and one-half years in that capacity through the effective date of his resignation and will have served as a board member for seven months beyond the age of the mandatory retirement policy for board service. As a consequence, he felt that the time had come to bring his relationship with Luby's, Inc. to a close.

Herres concluded by saying, "I wish to extend my very best wishes to the management and board of Luby's for the future success of this great company and South Texas institution."

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Mir will be replaced as chairman of the finance and audit committee by Joe McKinney, currently the vice chairman of Broadway Bank in San Antonio. McKinney pursued a twenty-nine year career in banking, which included a term as chairman and chief executive officer of JPMorgan Chase Bank for the San Antonio region.

Luby's provides its customers with delicious, home-style food, value pricing, and outstanding customer service at its restaurants in Dallas, Houston, San Antonio, the Rio Grande Valley, and other locations throughout Texas and other states. The company currently operates 159 locations, and its stock is traded on the New York Stock Exchange (symbol LUB).

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.

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