



FOR IMMEDIATE RELEASE

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Luby's To Purchase Fuddruckers

HOUSTON, TX – June 18, 2010 – Luby's, Inc. (NYSE: LUB) today announced that it will purchase substantially all of the assets of Fuddruckers, Inc., Magic Brands, LLC and certain of their affiliates (collectively, "Fuddruckers") for approximately \$61 million of cash. Luby's will also assume certain of Fuddruckers' obligations, real estate leases and contracts and will pay an additional \$2.45 million of cash if it does not assume certain specified contracts. Luby's will fund the purchase from cash and an expansion of its credit facility.

Fuddruckers currently operates 60 Fuddruckers locations and three Koo-Koo-Roo locations, and franchisees currently operate an additional 138 Fuddruckers locations.

Fuddruckers filed for Chapter 11 bankruptcy protection on April 21, 2010. Luby's participated in an auction of substantially all of Fuddruckers' assets on June 17, 2010, and was declared the successful bidder at the conclusion of the auction. The sale to Luby's remains subject to the approval of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Bankruptcy Court has scheduled the final hearing on the sale motion for June 22, 2010, and the transaction is expected to close on or before July 9, 2010, subject to the satisfaction or waiver of other customary closing conditions.

About Luby's

Luby's operates 96 restaurants in Austin, Dallas, Houston, San Antonio, the Rio Grande Valley and other locations throughout Texas and other states. Luby's provides its customers with quality home-style food, value pricing, and outstanding customer service. Luby's Culinary Services provides food service management to 17 sites consisting of healthcare, higher education and corporate dining locations.

This press release contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release, other than statements of historical fact, are "forward-looking statements" for purposes of these provisions, including statements regarding Luby's plans to acquire substantially all of the assets of Fuddruckers, Inc., Magic Brands, LLC and certain of their affiliates, the expansion of its credit facility and the timing of the closing. These statements involve risks and uncertainties that could cause actual results to differ materially depending on a variety of important factors, and there can be no assurance that Luby's will be able to consummate the acquisition on the terms described or at all. Factors that might cause or contribute to such differences include, but are not limited to, failure to obtain Bankruptcy Court approval, the failure of Fuddruckers to satisfy the closing conditions, the failure to expand Luby's credit facility and the risk factors detailed in our annual reports on Form 10-K and quarterly reports on Form 10-Q that we file with the Securities Exchange Commission ("SEC") from time to time. Our SEC filings are available from us and are also available at the SEC's website at <http://www.sec.gov>. In addition, factors that we are not currently aware of could harm our future operating results. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release. We undertake no obligation to make any revisions to the forward-looking statements or to reflect events or circumstances after the date of this press release.