



FOR IMMEDIATE RELEASE

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LUBY'S COMPLETES ACQUISITION OF FUDDRUCKERS

Conference call scheduled for 5:00 p.m. Eastern on Thursday, July 29

HOUSTON, TX – July 26, 2010 – Luby's, Inc. (NYSE: LUB) ("Luby's") announced today that it has completed the purchase of substantially all of the assets of Fuddruckers, Inc., Magic Brands, LLC and certain of their affiliates (collectively, "Fuddruckers") for approximately \$63.5 million in cash. The transaction was financed with proceeds from the Company's recently amended credit agreement and cash on hand.

"We are pleased to add Fuddruckers to our portfolio of restaurants," said Christopher J. Pappas, Luby's President and Chief Executive Officer. "We believe that the Fuddruckers brand is strong and has a great deal of customer appeal and opportunities for growth. Hamburgers remain very relevant to consumers today. We like the model and delivery system and believe that, along with its geographic overlay both in Texas and nationally, Fuddruckers is a brand that will become even more successful when paired with Luby's."

"With 59 company-operated and 129 franchise locations, Fuddruckers and Koo Koo Roo brands both diversify our restaurant base and enhance our opportunities for growth. We have already established transition teams to integrate our operations. We will continue to operate the acquired restaurants under their existing names and formats. Over time, we seek to enhance their guest experience, store level operations, facilities, and ultimately, their unit level financial performance."

In conjunction with the closing of the Fuddruckers acquisition, Luby's has amended its credit agreement, raising the facility size to \$53 million and extending the maturity date to September 2011.

Conference Call

The management of Luby's will host a conference call on Thursday, July 29, 2010 at 5:00 p.m., Eastern Time, to discuss further the Fuddruckers acquisition. To access the call live, dial (480) 629-9678 and ask for the Luby's conference call at least 10 minutes prior to the start time, or listen live over the Internet by visiting the events page in the investor relations section of www.lubys.com. For those who cannot listen to the live call, a telephonic replay will be available through August 5, 2010 and may be accessed by calling (303) 590-3030 and using the pass code 4336023#. Also, an archive of the webcast will be available after the call for a period of 90 days on the "Investors" section of the Company's website.

About Luby's, Inc.

Luby's, Inc. operates restaurants under the brands Luby's, Fuddruckers and Koo Koo Roo. Its 96 Luby's restaurants are located throughout Texas. Its Fuddruckers restaurants include 56 company-operated locations and 129 franchises across the United States and in various countries. Its 3 Koo Koo Roo California Kitchens are located in southern California. 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 with respect to Fuddruckers. These statements involve risks and uncertainties that could cause actual results to differ materially depending on a variety of important factors. Factors that might cause or contribute to such differences include, but are not limited to, 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.