

MAIN STREET RESTAURANT GROUP, INC.  
Form 10-Q  
May 10, 2005

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the quarterly period ended March 28, 2005**

**Commission File Number: 000-18668**

**MAIN STREET RESTAURANT GROUP, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

**11-2948370**  
(I.R.S. Employer  
Identification No.)

**5050 N. 40TH STREET, SUITE 200, PHOENIX, ARIZONA 85018**

(Address of principal executive offices) (Zip Code)

**(602) 852-9000**

(Registrant's telephone number, including area code)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Number of shares of common stock, \$.001 par value, of registrant outstanding at April 29, 2005: 16,967,509

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## MAIN STREET RESTAURANT GROUP, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Par Value and Share Data)

	March 28, 2005 (unaudited)	December 27, 2004
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 11,307	\$ 5,593
Accounts receivable, net	1,799	1,208
Inventories	2,831	2,758
Prepaid expenses	661	477
Total current assets	16,598	10,036
Property and equipment, net	64,650	66,444
Other assets, net	1,743	1,804
Notes receivable, net	975	1,212
Goodwill	21,255	21,255
Franchise fees, net	1,783	1,815
Purchased franchise territories, net	604	606
Total assets	\$ 107,608	\$ 103,172
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 3,875	\$ 3,851
Accounts payable	9,452	6,626
Other accrued liabilities	20,158	19,260
Total current liabilities	33,485	29,737
Long-term debt, net of current portion	41,149	42,232
Other liabilities and deferred credits	1,678	1,918
Total liabilities	76,312	73,887
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.001 par value, 2,000,000 shares authorized; no shares issued and outstanding in 2005 and 2004		
Common stock, \$.001 par value, 25,000,000 shares authorized; 14,652,000 and 14,642,000 shares issued and outstanding in 2005 and 2004, respectively	15	15
Additional paid-in capital	55,059	54,927
Accumulated deficit	(22,351)	(23,812)
Unearned compensation-restricted stock	(116)	
Accumulated other comprehensive loss	(1,311)	(1,845)
Total stockholders' equity	31,296	29,285
Total liabilities and stockholders' equity	\$ 107,608	\$ 103,172

The accompanying notes are an integral part of these condensed consolidated financial statements.

**MAIN STREET RESTAURANT GROUP, INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**(In Thousands, Except Per Share Amounts)**

	<b>Three Months Ended (unaudited)</b>	
	<b>March 28, 2005</b>	<b>March 29, 2004 (as restated)</b>
Revenue	\$ 61,432	\$ 59,079
Restaurant operating expenses		
Cost of sales	16,274	15,646
Payroll and benefits	18,582	18,419
Depreciation and amortization	2,101	2,075
Loss on Sale of Assets	259	
Other operating expenses	19,086	18,179
Total restaurant operating expenses	56,302	54,319
Depreciation and amortization of intangible assets	218	