INITIATION REPORT

Main Street Restaurant Group Inc. – MAIN

Embarking on a Growth Phase – Initiating Coverage with a BUY

Investment Conclusion

MAIN's new management team has successfully executed a two-year turnaround strategy and is now embarking on a period of accelerated unit growth and remodels which we believe will set the stage for 8%+ revenue growth in 2007. This growth strategy will present a new, but not necessarily more onerous set of execution challenges than those the management team faced during the turnaround. In 2005, we saw the stock price and valuation expand based on what we believe was successful management execution and increasing credibility with investors. We believe this trend will continue in 2006 and are therefore initiating coverage with a "BUY" rating and 12-month price target of $6.50 per share, representing almost 34% price appreciation from the most recent closing price.

Highlights

- **2005 marked a year of milestones under the new leadership team.** The Company reduced debt by approximately $7.8 million, generated $1.2 million in additional EBITDA and stemmed the losses at its non-core Bamboo Club brand, shuttering three units which negatively impacted 2005 EBITDA by $1.1 million. MAIN also raised $5 million in equity and consummated a new $45 million credit facility ($20 million revolver was undrawn at year-end 2005) which we believe provides the additional capacity and flexibility the Company will need to execute its 2006 growth objectives.
- **2006 revenue growth should be driven by new unit development and remodels of MAIN's core TGI Friday's brand**. We believe MAIN will open at least 4 new TGI Friday's units (5.7% unit growth) in 2006 after several years of negligible growth. The Company is also on track to complete the first 4 of 20 targeted remodels by Q4:06 – remodels which we believe should perform at the high end of management's 3-7% incremental same-store-sales (SSS) guidance. We are forecasting top-line growth in 2006, but given a back-end loaded development schedule, believe the primary EBITDA driver will be higher EBITDA retention rates (40% vs. 25% in 2005) on SSS growth. We have modeled 3% SSS for full-year 2006.
- **Additional Catalysts and Valuation.** The Company has at least three new activist shareholders (13D/G filers) in the last twelve months who will likely be vocal in ensuring the management team executes. Our 2006 EBITDA estimate of approximately $19.2 million is at the high end of management guidance, which we believe, if achieved will lead to further multiple expansion. We believe the Company's EBITDA multiple could expand to 7.5x EV/2006 EBITDA, a 20% discount to the industry (vs. 6.7x today), which yields our $6.50 12-month price target, representing almost 34% upside from the most recent closing price.

Risks to our estimates include potential delays in the Company's development and remodel program, higher commodity and other costs associated with general inflationary increases, and adverse regulatory/political actions in California. Please see the remainder of this report and page 14 for a comprehensive discussion of these risks.

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RATING: BUY

Share Price (18-Apr-06)	$4.87
Target Price	$6.50
52-Week Range	$2.17 -- $6.91
Industry	Restaurants
Market Capitalization (M)	$83.9
Enterprise Value (M)	$112.0
Cash (M)	$10.1
Shares Outstanding (M)	17.2
Float	57%
Avg. Daily Volume (3 mo)	31,592
Debt/Cap	57%
Book Value/Share	$1.68
Return on Equity (LTM)	Negative
Valuation	
Ent. Value / TTM Revenue	0.5x
Ent. Value / TTM EBITDA	6.7x

FYE Dec	2004A	2005A	2006E	2007E
Revenue (M)	$224.8	$239.7	$256.0	$275.8
EBITDA (M)	$15.5	$16.7	$19.2	$22.0
EPS - Adj.	$0.16	$0.22	$0.25	$0.36
P/E	NM	22.6x	19.6x	13.5x
EV / EBITDA	NM	6.7x	5.8x	5.1x
Quarterly EPS				
Q1	$0.08	$0.12	$0.12	NA
Q2	$0.06	$0.09	$0.11	NA
Q3	$0.01	($0.01)	$0.03	NA
Q4	$0.02	($0.10)	($0.01)	NA

Company Description

Main Street Restaurant Group is the world's largest franchisee of TGI Friday's restaurants, operating 55 units at December 26, 2005, primarily in California and Arizona. The Company also owns and operates 15 additional units under three other brands, including the 10-unit Bamboo Club "Asian Bistro".

COMPANY OVERVIEW

Phoenix, AZ-based Main Street Restaurant Group Inc. ("the Company" and "MAIN") is the world's largest franchisee of TGI Friday's restaurants ("Friday's" and "TGIF"), owning 55 units primarily in California and Arizona at December 26, 2005. The Company also owns other brands which could be characterized as non-core given its near-term growth strategy. These non-core brands include the Bamboo Club "Asian Bistro", Redfish Seafood Grill and Bar, and Alice Cooper'stown.

MAIN is the world's largest franchisee of TGI Friday's®, also owning three other smaller restaurant concepts.

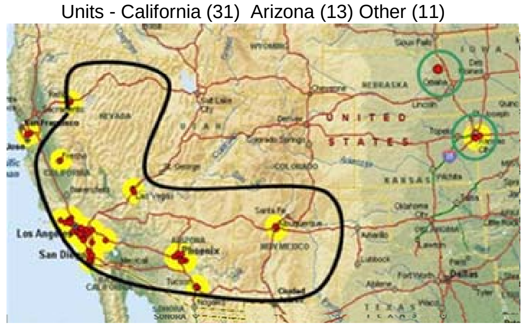
A new management team was installed in early 2004. Since that time, the Company has been attempting to execute a multi-part strategy which was focused initially on retrenchment (debt reduction, asset rationalization, and cost savings) and now the growth (new unit development and remodels) of the Company's core TGI Friday's brand.

Historical write-offs are primarily attributable to MAIN's non-Friday's brands, which have been de-emphasized as part of the Company's growth strategy and now represent less than one-quarter of the Company's units.

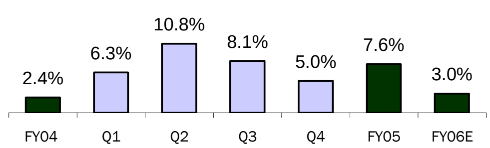
Exhibit 1
Company and Brand Snapshot

Segment	Casual Dining
Geography	13 States
Brands	Units
TGI Friday's	55
Bamboo Club	10
Redfish and Other	5
Total	70
TGIF Brand Data	
Square Feet (Avg.)	7,013
Seats	248
Average Check	$16.50
Alcohol Mix	25%
TGIF Unit Economics (Existing)	
Average Unit Volume	$3.8M
Investment	$2.8M
Sales-to-Investment Ratio	1.36 x
Unit Level Cash Flow	$570K
Unit Cash Flow Margin	12.0%
Sales/Sq. Ft.	$542

TGI Friday's Locations
Units - California (31) Arizona (13) Other (11)



Same Store Sales Growth (SSS)



Source: SEC filings and Brimmal Research estimates

Note: Unit data as of March 1, 2006

HIGHLIGHTS

We provide a "Report Card" on the management team's historical performance, as well as discuss the opportunities and challenges presented by its 2006-2007 growth strategy. The Company marked a number of milestones in 2005. Same-store-sales (SSS) reached 7.6% - impressive vs. many casual dining peers which reported SSS growth of 3-5%. The Company also raised $5 million in new equity, added operational depth to its board of directors and increased its financing flexibility with a new $45 million credit facility.

Execution of the Company's articulated growth strategy will be the key to success and a higher share price. MAIN will accelerate TGIF unit growth (which had been negligible prior to the second-half of 2005) to between 4 and 6 new unit openings per year through 2007. Simultaneously, the Company will begin remodeling up to 20 TGIF units. Rising construction costs, development execution, the likely need for additional capital in 2007 and continued shareholder activism will present additional challenges to the management team. However, we view these challenges as no more onerous than those the Company faced during its 2004-2005 restructuring.

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CONCEPT: TGI Friday's

The TGI Friday's brand is owned by Carlson Restaurants Worldwide, Inc., a subsidiary of Carlson Companies, Inc. – a privately-held marketing, travel and hospitality company which also owns Radisson®. Carlson is an owner-operator and franchisor of approximately 550 domestic TGIF units. As of February 13, 2006, Carlson owned and operated approximately 271 domestic units and franchised an additional 278 (~50/50 franchisor/franchisee mix), collecting royalties and marketing fees from its franchisees. MAIN, as TGIF's largest franchisee, owns 55 units and has the exclusive rights to develop additional TGI Friday's restaurants in southern California, Nevada, Arizona and New Mexico.

MAIN's Units:
$3.8M AUV
$16+ avg. check
85+ item menu
25% alcohol mix

TGI Friday's restaurants are full-service, casual dining "Bar & Grill" establishments. Nation's Restaurant News ranks TGIF as the 24th largest restaurant chain based on system-wide foodservice sales of $1.86 billion (**Exhibit 2**). The brand, which celebrated its 40th anniversary in March 2005, also ranked 10th in sales per unit (commonly referred to as "average unit volume" or "AUV") generating $3.52 million in sales at each unit. In the sales growth category the brand did not rank quite as high, placing 50th among the "Top 100" chain restaurants with 4% system-wide sales growth. TGI Friday's, as a casual dining "Bar & Grill" concept, operates in one of the oldest and most competitive segments of the restaurant industry – a segment we estimate will grow only 3% overall in 2006 vs. National Restaurant Association's estimate of 5.1% for the industry as a whole. Nevertheless, the TGIF brand continues to garner strong brand equity, and MAIN's TGIF units, in particular, have performed better on both sales levels and growth than the overall TGIF system.

Exhibit 2
Selected Top 100 Restaurants

Chain	System-Sales	Units	AUV	Founded	Sales Growth*
Top 5 "Bar & Grill" Concepts					
Applebee's	$3,888	1,575	$2,468	1980	10%
Chili's Grill	$2,875	931	$3,089	1975	15%
TGI Friday's	$1,862	529	$3,520	1965	4%
Ruby Tuesday	$1,560	722	$2,162	1972	8%
Bennigan's	$647	286	$2,262	1976	-2%
Hot Concepts and Other Industry Leaders					
Wendy's	$7,870	5,847	$1,346	1969	6%
Subway	$6,270	1,720	$3,645	1965	10%
Starbucks	$4,060	5,554	$731	1971	31%
Outback Steakhouse	$2,539	740	$3,433	1988	6%
Red Lobster	$2,456	649	$3,787	1968	3%
Olive Garden	$2,283	547	$4,173	1982	5%
Cracker Barrel	$1,574	492	$3,199	1910	6%
Panera Bread	$1,163	630	$1,846	1981	28%
Cheesecake Factory	$865	80	$10,812	1978	26%
PF Changs	$612	106	$5,768	1993	26%
BJ's Rest & Brewery	$100	322	$311	1991	

*Estimate of relative scale for illustrative purposes only.
Source: Nation's Restaurant News, SEC filings and Brimmal Research estimates.

TGI Friday's AUVs are the highest in the "Bar & Grill" segment. MAIN's AUV's have increased each year for the past 5 years, growing at a 2.8% CAGR.

AUVs for MAIN's TGIF units have grown at a 2.8% compound annual 5-year growth rate, increasing each year, to $3.8M at year-end 2005. The growth in AUVs confirms our belief that Friday's has maintained its brand following. However, in order to enhance the Company's brand equity, Carlson has recently adopted a revitalization strategy, complete with a new prototype restaurant unit and new marketing and promotional strategy that has leaned toward a "value" offering.

Revitalization Strategy. Carlson began implementing its revitalization strategy a little more than two years ago, which included a new prototype restaurant, designed to appeal to today's consumer and marked the first new look for its units in more than 20 years. The new look features a more contemporary décor and updated memorabilia. No longer will customers see the red flyer wagons, antique street signs, tiffany lamps and extensive use of brass. Both the interior and exterior of the new prototype unit feature more earth tones, brushed aluminum, stone tiles and faux marble and granite accents. All units currently being developed utilize this new prototype (**Exhibit 3**). Carlson has set a goal to have all company-owned and franchise locations remodeled by year-end 2007.

The Old…

At year-end 2005 Carlson had remodeled approximately two-thirds of its 255 company-owned locations. Sales improvements from the remodels have not been disclosed, but we believe the brand has done better than the 3-5% sales lifts typical of some remodels in the industry. We discuss this and the economic implications for MAIN later in our report.

Exhibit 3
TGI Friday's New Restaurant Prototype

Source: Carlson Restaurants Worldwide

The New.

The other component of the TGIF's revitalization strategy has included a shift towards value. We note many "Bar & Grill" concepts have had higher check averages than their faster growing industry counterparts. Recent TGIF promotions and menu offerings have had an emphasis on a "$12.99 Three Course Menu" promotion initially introduced in January 2005. The promotion allows guests to build their own meal from a selection of 6 appetizers, 12 entrees, and 2 desserts. It was re-introduced on January 2, 2006 with a selection of "Guilt-Free" lower calorie-choices and "Indulgent" choices. The promotion ended February 25, 2006, but we believe the promotion will return, given the customer response which has driven traffic-driven sales improvements. Carlson's current advertising features "Flavor Shots" appetizers ahead of a more extensive summer promotions strategy yet to be revealed.

Approximately a dozen Jack Daniels® inspired steaks, chicken and other dishes continue to sell well, going into their ninth year of the partnership. Finally, the "Atkins" items, which were rolled out in January 2004, but peaked in popularity with the low-carb phenomenon, now serve as a response to the "veto vote", similar to other restaurant chains that offer low-carb options. The complete menu is listed on page 21.

The marketing and promotions strategy, new advertising partner Deutsch, and increased mandatory contributions by franchisees into a national marketing pool controlled by Carlson (4% of gross sales in 2005 vs. 3.25% in 2003) has accelerated sales growth of the brand. Additional remodels and the continued development of unique marketing/menu campaigns should be additional sales drivers.

CONCEPT: Other Brands

MAIN operates two other multi-unit brands - The Bamboo Club Asian Bistro and Redfish Seafood Grill and Bar. It also operates one Alice Cooper'stown unit under a license agreement in Cleveland.

The Bamboo Club, a pacific-rim upscale casual dining concept, was acquired in July 2000 for approximately $12 million with a then two existing units. Features include a 65-item menu, display kitchen, bamboo sculptures, foliage, murals, and black ceilings. The previous management team grew the brand to 13 units, three of which have now been closed.

This year, MAIN provided additional transparency into the economic performance of the brand. The Company has defined the Bamboo Club's "core" markets as Arizona and Florida and provided economic performance by market (**Exhibit 4**). The seven (7) units in the Company's core markets have higher sales levels and returns than non-core and closed locations. However, unit economics across all markets remain disappointing when compared to the industry and the Company's core TGI Friday's brand. Reasons for the disappointing financial performance can be attributed to a myriad of circumstances, including poor site selection and a much smaller and less festive bar. Many upscale chains have found the appropriate 'bar mix' crucial to the overall 'energy' and atmosphere of their units and customer traffic.

Expectations and Strategic Alternatives. While some Bamboo Club units have achieved AUVs close to $4 million, others are significantly less than $2 million. Unit-level cash flow margins in "core" markets were positive at 7.5% in 2005, but far below the 15-18% industry average reported by publicly traded chains (**Restaurant Universe, pages 19-20**). Industry leader PF Chang's "China Bistro" (Nasdaq: PFCB) reported unit level margins of 22% in 2005. For the Bamboo brand, we expect AUVs north of $3 million ($450/sq.ft.), would make the brand viable as a scalable chain, and lift unit-level margins north of the 10% that would likely facilitate a sale of the brand.

MAIN has closed three units, writing off $1 million in goodwill. However, $9 million in Goodwill remains on MAIN's balance sheet. More write-offs could occur in Q4:2006 when MAIN does additional impairment tests. Positives related to the non-core brands include:

- Redfish, as casual dining with a Cajun flair reminiscent of the New Orleans' French quarter atmosphere, appears to achieve similar unit-level performance to the core TGIF brand. We do not anticipate additional near-term development of this brand.
- MAIN's 2006 income statement will not reflect the $1.1 million EBITDA loss from the three closed Bamboo units.

Exhibit 4
Other Brands: 2005 Unit-level Economics

Brand	Units	Sales	EBITDA	EBITDA Margin	AUV
Bamboo Club					
Core Markets	7	$ 18,600	$ 1,400	7.5%	$ 2,657
Non-Core Markets	3	$ 5,800	$ (800)	-13.8%	$ 1,933
Subtotal	**10**	**$ 24,400**	**$ 600**	**2.5%**	**$ 2,440**
Closed Locations	3	$ 1,600	$ (1,100)	-68.8%	$ 533
Redfish	**4**	**$ 9,929**	**$ 1,316**	**13.3%**	**$ 2,482**
Total excl. Closed Locs.	**14**	**$ 34,329**	**$ 1,916**	**5.6%**	

Source: SEC filings and Brimmal estimates.

$20+ Avg. Check
10 Units

Core Markets (7)
Phoenix, AZ ('00)
Scottsdale, AZ ('00)
Tucson, AZ ('01)
Tempe, AZ ('01)
Desert Ridge, AZ ('03)

West Palm Bch, FL ('01)
Tampa, FL ('01)

Other Markets (3)
King of Prussia, PA ('02)
Novi (Detroit), MI ('03)
Raleigh/Durham, NC ('03)

Closed Locations (3)
Newport, KY ('02)
Aventura, FL ('03)
Fairfax, VA ('04)

Chicago, IL ('97)
Cincinnati, OH ('97)
Scottsdale, AZ ('01)
Chandler, AZ ('02)

Cleveland, OH

STRATEGY: RETRENCHMENT

The Company completed a management transition in April 2004 with the appointment of then COO Bill Shrader to the post of CEO and the resignation of Bart Brown, the former CEO, from the Company's board. The additions of a new CFO and COO in 2002 and 2003, respectively, bolstered a new management effort and philosophy implemented by Shrader in response to the Company's ill-fated acquisition of the Bamboo Club "Asian Bistro" in 2000 and the subsequent growth of that brand. Our conclusion, as outlined in the *Management Report Card* below (**Exhibit 5**) is that the current team has succeeded in successfully turning around the company (evidenced by share price performance +100% since April 1, 2004), but that the next six months will provide crucial signposts regarding the management team's ability to now execute a growth strategy which entails a much different set of risks.

A new CEO, Bill Shrader, was installed in early 2004.

Exhibit 5
Management Report Card

B+	**Provide Better Transparency and Guidance** Began providing brand-level economics in Q1:05 illuminating the Bamboo Club 'drain'. Initial guidance, including same-store-sales of "2-3% for 2005" proved to be conservative throughout the year, while actual EBITDA of $16.9 million came in at the high-end of the $15-$17 million range.
A	**Decrease Debt Levels and Improve Financial Flexibility** Stated debt/cap goal of 55% by year-end 2005 was achieved in the Q2:05, two quarters ahead of plan, as the ratio dipped on stronger than expected financial performance. Total debt decreased $7.8 million YOY to $38.3 at year-end 2005 (57% Debt/Cap primarily due to asset write-downs and other charges). The Company consummated a new $45 million credit facility in October 2005 which increases financial flexibility ($20 million revolver portion was undrawn at year-end 2005) and should allow the Company to achieve to achieve its 2006 growth objectives.
A	**Increase Liquidity** April 2005 $5 million equity investment from Dallas-based private equity group, CIC Partners LP (2.36M shares @ $2.51+ warrants to purchase 581,395 @ $3.01 per share) successfully increased liquidity. Cash on the balance sheet was $10.1 million at year-end 2005.
A	**Improve Cash Flow Margins** Cost of Goods Sold has declined 50bps to an industry-leading (top-quartile) 26.4% of sales and Labor expense has declined 90bps to 30.5% of sales resulting in an overall improvement of unit-level cash flow to 11.3% of sales in 2005 vs. 10.6% in 2003. Also, a corporate restructuring implemented in late 2004 has allowed the Company to hold G&A expense steady at approximately 4% of sales.
B	**Stem losses at Bamboo Club** Closed two underperforming Bamboos in early '05, but predicted full-year "break-even" EBITDA from the remaining 11 units for 2005 which turned out to be optimistic as the brand negatively impacted EBITDA by $500,000 in 2005. One additional unit (Fairfax, VA) was closed in January 2006 recording impairment charges related to non-core market locations suggesting the Company may eventually operate only seven units in the better performing (7.6% EBITDA margins) markets of Arizona and Florida.
?	**Execute Growth Strategy** Has opened three new TGIF units in Surprise, AZ (07/06); Happy Valley, AZ (12/05) and Las Vegas, NV (04/06) reacquiring a fourth unit in Oklahoma. However, the opening and remodel schedule will accelerate through 2007 and we will have additional data points as to management success in the coming months.

Brand economics tell the story, but guidance remains conservative.

Total debt decreased almost $8 million and MAIN ended the year with 57% debt/cap.

$10.1 million in cash on the balance sheet at year-end 2005.

Bamboo did not reach break-even in 2005, but should in 2006.

The 'pieces' are in place and we will know within the next 6 months…

MANAGEMENT BIOS

William G. Shrader, CEO and President, Age 57 (Joined 1999), was appointed CEO of the Company on April 1, 2004. Prior to that, he served as President and COO (since June 2001). Mr. Shrader was Senior Vice President of Marketing for Tosco Marketing Company from February 1997 to March 1999. From August 1992 to February 1997, Mr. Shrader served in several capacities at Circle K Stores, Inc., including President of the Arizona Region, President of the Petroleum Products/Services Division, Vice President of Gasoline Operations, and Vice President of Gasoline Marketing. Mr. Shrader began his career in 1976 at The Southland Corporation and departed in 1992 as National Director of Gasoline Marketing. (Beneficial Ownership: 550,502 shares at March 31, 2005)

Michael Garnreiter, Chief Financial Officer, Age 53 (Joined 2002), was a general partner of Arthur Andersen, a member of the firm for more than 22 years before his retirement in March 2002. (Beneficial Ownership: 159,984 shares at March 31, 2005)

Stuart S. Gee, Chief Operations Officer, Age 41 (Joined 2003), was an operating partner for Sam Seltzer's Steakhouse prior to joining the Company, but spent most of his career working in various capacities for Brinker International-Romano's Macaroni Grill (1993–2002), ultimately becoming VP of Operations, and as General Manager for Darden Restaurants-Red Lobster (1987-1993). (Beneficial Ownership: 10,000 shares at March 31, 2005)

STRATEGY: GROWTH

The Company's articulated growth strategy marks a clear transition from a multi-year period of excessive debt and a declining asset base towards a period of revenue and asset growth. Over the next two years MAIN will attempt to:

1. Open at least eight new TGI Friday's units.
2. Remodel up to 20 existing TGI Friday's units.

New Unit Growth. MAIN's current development deal with franchisor-Carlson requires the Company to open at least 16 units through 2009, two of which opened in the second-half of 2005 (Surprise, AZ and Happy Valley, AZ). The Company is now required to open 14 additional units, 10 of which are planned for California. It's important to note that these agreements have been modified in the past, partly due to MAIN's historical capital constraints. However, MAIN's current deal requires the Company to open at least three units in each of the next three years, which we believe MAIN views as a 'minimum hurdle'. The Company plans to open at least four units in 2006. (**Exhibit 6**)

Exhibit 6
2006 New Unit Openings

Las Vegas, Nevada	April 10, 2006
Rancho Cucamonga, CA	Q3
Flagstaff, Arizona	Q3
Chandler, Arizona	Q4
Corona, California	Q4 or Q1:07
Chino Hills, Arizona	Q4 or Q1:07

Source: Company and Brimmal Research estimates.

MAIN holds exclusive franchise rights to some of the fastest growing markets in the country. According to a July 2005 U.S. Census Bureau report, eight of the top 20 growth cities were in MAIN's territory. These 20 cities posted median one-year population growth of 4.4% vs. the 1% national average. MAIN's first unit opening of 2006 took place on April 10th at the Orleans Hotel & Casino in Las Vegas. There's been a lot of excitement surrounding the unit opening given the recent growth in the Las Vegas market and the fact that MAIN currently has only four units in the state of Nevada, suggesting an additional growth opportunity over time. Sales estimates for the Orleans unit vary widely from $3.5-$8.0 million AUV. We believe the unit will perform better than the $3.8 million AUV for the MAIN's TGIF system and ultimately could be a catalyst for the shares.

Subsequent TGIF unit openings will occur in other fast growing markets - Rancho Cucamonga (8th fastest growing city according to Census Bureau) and Chandler, AZ (7th). We note industry leaders Brinker International (EAT - operator of Chili's, Macroni Grill, and Maggianos), Darden (DRI – operator of Olive Garden and Red Lobster), and The Cheesecake Factory (CAKE) as well as several growth concepts such as BJ's Restaurants (BJRI) have been first to some of MAIN's new markets. However, we believe this is primarily a function of MAIN's historical capital constraints and de-emphasis on the TGI Friday's brand under the former management team.

Finally, the Flagstaff, AZ "small-box" opening scheduled for Q3 should provide an interesting test for MAIN's ability to put additional units in markets not large enough to support the traditional 7,000 square foot box. If the unit performs well, MAIN believes it could open up growth possibilities to an additional 30-50 markets. TGIF-parent Carlson has opened fewer than 10 of the small-box prototypes, but has publicly stated they are encouraged by results that are running at or better than plan. For MAIN however, the jury will be out until we are able to gauge sales levels and cash flow returns on a unit that will likely cost 2/3 the cost of the 7,000 square foot box the Company is currently developing. As we move into 2007 capital allocation and rationing will become even more crucial as the company must weigh the returns on remodels, its traditional "big-box" prototype, and small-box returns.

Value of New Unit Growth. MAIN's articulated model has been for cash flow returns on investment (CFROI) of 18-20% ($500K unit-level EBITDA/$2.8 million investment). The investment excludes pre-opening expenses of approximately $150,000-$175,000. However, the franchise model the company operates under has structural issues that make MAIN's margins inherently lower margin business when compared to the majority of publicly-held restaurants which are non-franchisee/company-owned-franchisor models. The nature of royalty payments and mandatory marketing expenses (which total 8% for MAIN) cause a several hundred basis point deficit in unit-level EBITDA, a widely followed metric of restaurant profitability. However, unit-level EBITDA ignores the savings under a franchisee model at the corporate level. As **Exhibit 7** demonstrates, we estimate corporate-level franchisee EBITDA margins are only 150-200 basis points below the overall industry average, despite estimated unit-level EBITDA margins which are approximately 350bps (13.5% vs. 18% industry). This is due to much lower G&A levels (4% of sales) bourne by MAIN as a franchisee that receives some overhead support from Carlson, the franchisor. The franchisee discount question is an important one, and our previous discounted cash flow analysis suggests an approximate 10-20% discount for the inherently lower margins. **Exhibit 8** outlines our estimates of expected EBITDA contributions from MAIN's new unit openings.

Exhibit 7
Unit-Level Cash Flow Margins

	Franchise	**Non-Franchise**
Sales	100.0%	100.0%
Cost of Goods Sold	26.5%	30.0%
Labor	31.0%	30.0%
Other Oper Exps.	21.0%	21.0%
Marketing	4.0%	1.0%
Franchise Royalty	4.0%	0.0%
Unit-Level EBITDA	**13.5%**	**18.0%**
General & Admin. Exps.	4.0%	7.0%
EBITDA Margin	**9.5%**	**11.0%**

*Lower COGS - better purchasing and/or higher prices. +350bps
*Higher mandatory marketing spends. -300bps
*Royalties averaging 4% of gross sales. -400bps
*Lower overhead. +300bps
Net Difference. -150bps

Source: SEC filings and Brimmal Research estimates.

Exhibit 8
EBITDA: TGIF New Unit Growth

	2006E	**2007E**
Oper. Weeks - Prior Yr. Units	73	146
+ Oper. Weeks - New Units	62	104
=Total Additional Oper. Weeks	135	250
x AWS	73.1	75.3
= Revenue Contribution	9,856	18,827
x 13.5% EBITDA Margin	1,331	2,542
- Pre-Opening Expenses	930	960
= EBITDA Contribution	**401**	**1,582**
# of New Units	4	4
Average Unit Volume (AUV)	$3,802	$3,916

Source: Brimmal Research estimates.

Remodel Existing Units. Carlson, the owner-operator and franchisor of the TGI Friday's brand, has requested all remodels be substantially complete by year-end 2007. MAIN has set a goal to complete up to 20 of the 50 units that will require remodels by that time. Four (4) units are expected to be completed by the end of Q3:06. Cost estimates range from $150,000 to $750,000 depending on a number of factors including the age of the unit and the number of seats added, if any. We estimate MAIN will invest approximately $500,000, on average, for each remodel based upon the Company's predicted total remodel expenditure of $20-$30 million. Incremental sales and EBITDA retention rate ("flow-through" on sales increases) will determine the returns on invested capital and potential value to shareholders and the stock. However, it can be very difficult to pin down restaurant managements on the first variable, anticipated remodel sales lifts, partly because there are so many variables (each unit's existing competitive positioning, age, etc.), and even more difficult to accurately predict an EBITDA flow-through rate.

Denny's, Friendly's and IHOP remodels provide some data points on remodels.

Our analysis of recent remodels by Friendly's Restaurants (FRN), Denny's (DENN) and IHOP (IHP) provides some guidance for investors and suggests MAIN's articulated goal of a 3-7% incremental post-remodel sales lifts is in-line with recent industry experience. Friendly's (AMEX: FRN) which commenced its "Impact" remodel program in late 2002 saw incremental same-store-sales lifts of 7% in the first year and better-than-system-average SSS performance from remodeled units in subsequent periods. FRN's initial goals for the number of unit remodels was reduced in 2003 due to capital constraints. It's budget per remodel has also been reduced from $125,000. FRN's 2006 remodel program calls for an investment of approximately $65,000 per unit and the company has guided for incremental sales lifts of 3-5%, while still planning a 20% CFROI. Denny's management has projected a 4% unit-sales lift its remodel program.

Both FRN's and Denny's programs represent remodel investments of 6-10% of unit sales based on their system AUV. MAIN's $500,000 investment per unit would represent an investment of 13.2% of their $3.8 million average unit volume and we therefore believe its incremental sales should come in at or above the higher-end of their 3-7% guidance. We have modeled a 6% incremental sales lift into our 2006 and 2007 estimates.

In terms of EBITDA retention-rates or SSS flow-through, we note that many restaurant managers speak of figures ranging from 50-70% EBITDA flow-through. In 2005 we estimate MAIN's EBITDA flow-through was approximately 25%. This lower rentention-rate was due to a host of reasons, including lower-margin promotions and labor inefficiencies in the third quarter, and higher rent and CAM expenses associated with increased sales. We have modeled a 50% EBITDA retention-rate on incremental sales from the remodel, anticipating better labor management.

Our model assumes the following remodel assumptions:

- 15 total remodels complete by year-end 2007 - 4 in 2006 and 11 in 2007.
- 6% incremental sales post-remodel
- 50% EBITDA retention rate on post-remodel sales increases.

Exhibits 9 and 10 analyze the CFROI and EBITA sensitivities around our assumptions.

Exhibit 9
Remodel CFROI & EBITDA Contribution Analysis

Cost	$500
Existing AUV	$3,800

CASH FLOW RETURN ON INVESTMENT (CFROI)

Incremental SSS		SSS-EBITDA Retention Rate				
%	Nominal	40%	45%	50%	55%	60%
2.0%	$76	6.1%	6.8%	7.6%	8.4%	9.1%
3.0%	$114	9.1%	10.3%	11.4%	12.5%	13.7%
4.0%	$152	12.2%	13.7%	15.2%	16.7%	18.2%
5.0%	$190	15.2%	17.1%	19.0%	20.9%	22.8%
6.0%	**$228**	**18.2%**	**20.5%**	**22.8%**	**25.1%**	**27.4%**
7.0%	$266	21.3%	23.9%	26.6%	29.3%	31.9%
8.0%	$304	24.3%	27.4%	30.4%	33.4%	36.5%
9.0%	$342	27.4%	30.8%	34.2%	37.6%	41.0%

Units Remodeled	15	Debt	$6,000
		Share Count	17,221

EBITDA CONTRIBUTION

Incremental SSS		SSS-EBITDA Retention Rate				
%	Nominal	40%	45%	50%	55%	60%
2.0%	$1,140	456	513	570	627	684
3.0%	$1,710	684	770	855	941	1,026
4.0%	$2,280	912	1,026	1,140	1,254	1,368
5.0%	$2,850	1,140	1,283	1,425	1,568	1,710
6.0%	**$3,420**	**1,368**	**1,539**	**1,710**	**1,881**	**2,052**
7.0%	$3,990	1,596	1,796	1,995	2,195	2,394
8.0%	$4,560	1,824	2,052	2,280	2,508	2,736
9.0%	$5,130	2,052	2,309	2,565	2,822	3,078

Source: Brimmal Research estimates.

Guidance of a 3-7% sales lift is in line with industry experience, but we anticipate sales lifts of at least 6%.

Exhibit 10
EBITDA: TGIF Remodels

	2006E	**2007E**
Operating Weeks - (Loss)	(12)	(33)
Operating Weeks - Post Remodel	48	220
Operating Weeks - Prior Yr. Remodel	0	160
Net Additional Operating Weeks	36	347
x Incremental AWS @ 6%	4.4	4.5
= Revenue Contribution	158	1,568
x EBITDA Retention Rate	50%	50%
= EBITDA Contribution	**79**	**784**
# of Remodels	4	11
Average Unit Volume (AUV)*	$3,802	$3,916
Average Weekly Sales (AWS)*	73	75

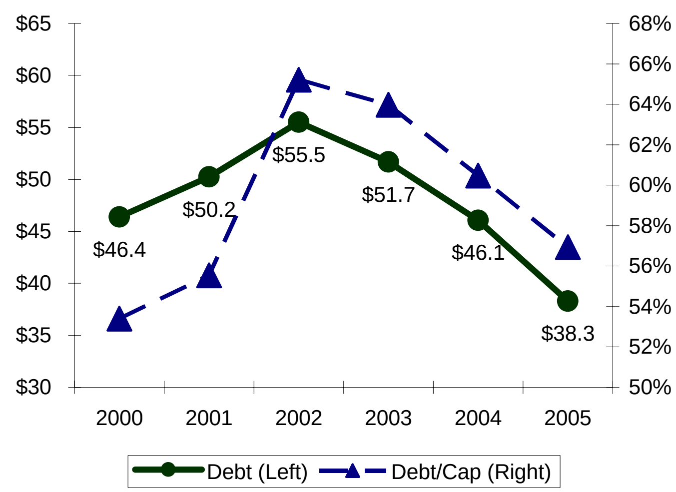
*AUV and AWS prior to remodel.
Source: Brimmal Research estimates.

At least four Remodels in 2006.

FINANCING GROWTH

We estimate the Company will spend approximately $40-$45 million on its capital program through 2007 including: $25 million for new units; $10-12 million for remodels; and $5-8 million for maintenance and technology expenditures. The Company ended the year with $10 million of cash on its balance sheet and we are projecting sufficient cash flow in 2006 to fund growth, before an acceleration in the Company's remodel program in 2007 when we estimate at least 11 additional units will be remodeled. However, this level of capital spending, is very likely to exceed the allowable capital expenditures under the Company's new credit agreement, which limits all capital expenditures to $15 million per year. The $20 million revolver on the credit facility was undrawn at year-end 2005. Based on MAIN's currently articulated growth strategy we believe the company will raise additional equity in early 2007. Ideally, this would occur following the initial results from the four remodels, providing an important signposts to investors regarding management's success in executing its growth strategy. The Company will also have to seek an amended agreement, but this will happen after the results are in. In our opinion, MAIN may have to pursue additional equity financing to maintain its debt/equity goals in 2007, but at this point we are not sure whether the additional equity would come from 1) public markets 2) current private equity investor CIC Capital Partners 3) or some other investor.

Exhibit 11
Year-End Debt-to-Equity



Source: SEC Filings

Exhibit 12
Equity Cash Flows

	2000	2001	2002	2003	2004	2005	2006E	2007E
EBITDA	$14,351	$16,198	$12,981	$13,622	$15,481	$16,744	$19,236	$22,046
- Net CapEx	$24,810	$11,492	$18,578	$5,798	$8,115	$7,424	$15,600	$19,500
- Est. Chg. WC	$1,510	$4,901	($3,845)	($1,021)	$993	$4,531	($2,445)	$594
- Int. Expense	$3,615	$3,825	$3,950	$4,522	$3,794	$3,122	$4,000	$4,000
= Free Cash Flow	($15,584)	($4,020)	($5,702)	$4,323	$2,579	$1,667	$2,081	($2,049)

Source: SEC filings and Brimmal Research estimates.

OWNERSHIP

We observe that many companies with market capitalizations less than $100 million have one or two large shareholders that control a large block of stock. MAIN is no different. Chairman John F. Antioco (also Chrmn. of Blockbuster, Inc. NYSE: BBI) controls approximately 4 million shares - 23% of the shares outstanding. There are also three new 13D/G holders in the last twelve months who now control approximately 35% of MAIN shares.

43% of shares outstanding are held by insiders.

Two relatively new 5%+ holders do not currently hold board seats.

Exhibit 13
MAIN's Ownership Profile

Holder	Type	Shares*	% Owner.
Officers and Directors			
John F. Antioco	Chairman	3,991,418	23.2%
CIC Capital Partners	Board Member	2,906,976	16.9%
William “Bill” Shrader	Pres. & CEO	67,502	0.4%
Mike Garnreiter	CFO	18,000	0.1%
Other Officers & Directors		375,000	2.2%
Subtotal		**7,358,896**	**42.7%**
13D & 13G Filers			
Bradford L. Honigfeld	Individual	2,260,802	13.1%
Clarus Capital Mgmt	Institution	873,369	5.1%
Dimensional Fund Advisors	Institution	960,959	5.6%
Subtotal		**4,095,130**	**23.8%**
Other Institutional & Retail		**5,767,150**	**33.5%**
Totals - All Holders		**17,221,176**	**100.0%**

Source: DEF14A dated March 14, 2005 and most recent SEC Forms 13D, 13G, Form 5 and Brimmal estimates. Ownership does not include stock or other beneficial ownership pursuant to stock options and/or warrants.

Exhibit 13 above lists the current ownership of MAIN’s shares. MAIN’s second largest shareholder, CIC Capital Partners, made a $5 million equity investment last April. This investment also added CIC Partner and former Pizza Hut President Michael Rawlings to MAIN’s board of directors, adding additional operaitional depth to the now six-member board. Mr. Honigfeld acquired the majority of his shares in April 2005 from retiring board member and former CEO Bart Brown. He has purchased additional shares in the open market, bringing his ownership to slightly over 13%. Finally, Clarus Capital filed a form 13D with the SEC on March 15, 2006 and now controls approximately 5% of MAIN’s shares.

Is the Company In-Play? On October 12, 2005 Mr. Honigfeld sent an unsolicited offer to MAIN’s board of directors setting forth an offer pursuant to which he and/or his affiliates would purchase the Company. Mr. Honigfeld is the founder and chief executive officer of New Jersey-based “The Briad Group”. A very successful entrepreneur, Mr. Honigfeld has built a privately-held hospitality company operating 51 Wendy’s and 18 TGI Friday’s locations. His company also has a lodging and construction group which is currently developing locations under the Marriott and Hilton brands. All of Briad’s properties are located domestically in the Northeast.

Mr. Honigfeld’s $5.75 per share cash offer was subject to a number of terms and conditions and represented a premium of only 7% to MAIN’s 20-day average closing stock price. MAIN’s board has not responded to the offer publicly. Clarus Capital, the most recent 13D filer has sent letters to MAIN’s board requesting the company explore strategic alternatives.

There are many strategic questions raised by a potential change of ownership. Does it make sense to combine disparate operations (Briad and MAIN) on opposite sides of the country? What are the potential synergies? Does it make financial sense for companies with market caps under $100 million to be publicly held in this era of Sarbanes-Oxley? Can shareholders realize greater value by allowing MAIN’s management to execute its stated growth strategy? However, one of the most relevant questions under a change of ownership scenario is --“What is the right price”?

M&A VALUE

Late 2004 and 2005 saw a significant amount of restaurant M&A activity as private equity firms appeared to accelerate their investment in the industry, purchasing a number of highly recognizable restaurant chains. The small-cap deals (<$500 million) listed in **Exhibit 14** represent an average share price premium of 24% and Enterprise Value multiple of 8.9x the target's trailing twelve-month EBITDA at deal announcement. This data is consistent with some M&A studies which suggest the average control premium exceeds 25%. We provide the data here for illustrative purposes in the context of the offer MAIN received on October 12, 2005.

The October all-cash offer for MAIN shares represented only a 7% premium to the Company's share price and the 7.4x EBITDA multiple was below the group's average. As **Exhibit 14** illustrates, the Company would have received an offer between $6.69 and $7.30 per share at the group averages.

Exhibit 14
Select Recent Restaurant Acquisitions

		Share			Target		Ent. Value Multiple	
Date	Target	Offer Price	Premium	Deal Size	Revenue	EBITDA	Revenue	EBITDA
01/20/05	Charlie Brown's	N/A	NA	140	NA	20	NA	7.0
04/28/05	Worldwide Restaurants	$7.00	42%	254	354	23	0.7	11.2
09/06/05	Perkins Restaurants	N/A	NA	245	342	26	0.7	9.4
09/28/05	El Pollo Loco	N/A	NA	415	214	29	1.9	14.2
10/04/05	Fox & Hound Rest. Group	$16.00	31%	160	154	22	1.0	7.2
12/08/05	Dave & Buster's	$18.05	26%	375	411	59	0.9	6.4
02/17/06	Checkers	$15.00	-1%	188	192	26	1.0	7.2
Average			**24%**				**1.1**	**8.9**
Main Street Restaurant Group Offer (10/05/05)		$5.75	7%	127	232	17	0.5	7.4
@ average:	Share Premium	$6.69	24%					
@ average:	EBITDA Multiple	$7.30		153		17		8.9

Note: Share Premium to 20-day average stock price prior to offer.
Source: SEC filings and Brimmal estimates.

Finance theory and investment banking practices often attempt to "triangulate" an M&A value based on 1) precedent transactions and 2) control premiums to publicly traded comparable companies such as those listed above. The third part of the triangle is a discounted cash flow analysis, which under a strategic transaction scenario, could contemplate synergies the buyer is expected to "share" with the target's shareholders via a higher offer price. Neither the Company nor any potential suitor has publicly stated potential synergies under a change of control scenario and we therefore believe a strategic M&A DCF analysis at this point would be inappropriate.

The Poison Pill. Should MAIN enter discussions with a potential buyer we believe the "shareholder rights plan" adopted in May 2005 gives the Company negotiating leverage with a potential suitor. The plan is triggered when certain holders acquire more than 15% of the Company's outstanding shares. Several studies, some controversial, have shown excess premiums between 5 and 10% (e.g. 31% share price premium vs. 25% premium) for small cap companies which accepted acquisition offers and had a poison pill in place vs. those acquisitions which were completed for small cap companies (targets) without poison pills.

INVESTMENT RISKS

In addition to sales fluctuations associated with general economic movements in an industry heavily dependent on changes in disposable personal income and other general business risks (industry risk), investors should consider the following company-specific risks when making an investment decision with respect to MAIN shares:

Leverage. MAIN had approximately $38 million of total debt on its balance sheet at December 27, 2005 and a 57% Debt/Cap ratio. The Company also has a working capital deficit. The median Debt/Cap ratio of publicly-traded restaurant operators is approximately 26%. Investors should carefully monitor changes in MAIN's leverage relative to its growth, capital spending and cash flow generation.

Liquidity and Micro-Cap. Five holders control approximately 64% of MAIN's shares. Future sales by any one of these holders could result in downward pressure on the Company's share price based on their timing and nature. Additionally, the Company's average daily trading volume (three-month) is approximately 38,000 shares (~$180,000 per day at the current stock price) making this investment inappropriate for many large institutional investors.

California Geographic Concentration. Almost half of the Company's restaurants (31 units) are located in California, a state that presents restaurant operators opportunities for high growth, but also with a number of challenges. California's minimum wage requirements are more onerous than most states (minimum wage in the state is currently $6.75 vs. the $5.15 federal requirement), and there are currently four bills headed to the legislature that propose a two-step increase in the minimum wage to $7.75 per hour. We estimate this could negatively impact (raise) MAIN's labor expense by $2-$3 million annually for which a 1.5-2% price increase would be needed to offset this negative impact. Further, a mandatory healthcare proposal, "Prop 72", which would have also increased the Company's cost of doing business, was only narrowly defeated by California voters in Oct 2004. Finally, California worker's comp insurance rates have increased more rapidly than the national average, although the rate of increase declined in 2005. MAIN has estimated that its workers compensation cost for each claim in California is more than double the cost it experiences in other states.

Litigation. MAIN recorded a $1.5 million estimated settlement reserve related to "meal and break" rest period litigation in the fourth quarter of 2005, although the issue is still not resolved and the final settlement amount could differ materially from the amount of the reserve. The Company also has an ongoing sales tax audit in the State of California which currently represents a $500,000 potential liability.

Execution Risk. MAIN's growth strategy calls for a simultaneous acceleration in new unit development and remodels. Investors should carefully monitor the Company's development progress and its implications on revenues, cash flows and earnings.

EARNINGS MODEL

Full-Year 2005. The Company reported fourth quarter 2005 and full-year results on March 2, 2005. Highlights for the year included the following:

- Revenue growth of 6.9% to $239.7 million driven by a 7.6% increase in same-store-sales, the majority of which came from increased traffic.
- 2005 EBITDA of $16.7 million reflects consolidated unit-level EBITDA margins of 11.3% vs. 11.2% in 2004 and a negative $1.1 million impact from three closed Bamboo unit locations. Consolidated EBITDA margins would have been 11.9% without this negative effect. TGIF brand unit-level margins expanded to 12.9% vs. 12.1% in 2005.
- The margin improvements were driven by increased same-store-sales and a 30 basis point improvement in labor expense despite labor inefficiencies in Q3:05. We estimate the SSS EBITDA flow-through was 25%, which we believe could have been closer to 40% with higher-margin promotions and/or better labor management.
- Other operating expense reflects a 50bp increase in the TGIF marketing spend to 4%, higher utility and CAM expenses.
- The Company recorded a write-off and additional asset impairments related to Bamboo Club and the early retirement of debt.

Our 2006 Estimates. Our estimates are at the high-end of management guidance. As outlined in **Exhibit 15**, we expect the majority of improvement to come from a 3% increase in same-store-sales (mostly traffic) and higher EBITDA retention on those sales (40% vs. 25% in 2005), followed by a $1.1 million improvement from three closed Bamboo Asian Bistro units. The Surprise and Happy Valley 2005 unit openings should contribute positively to 2006 EBITDA while the four units scheduled to open in 2006 are unlikely to contribute meaningfully to this year's EBITDA due to front-end loaded pre-opening costs and a development schedule weighted towards the second half of the year.

Exhibit 15
Contribution Summary: EBITDA Changes

	2005*	2006E	2007E
TGIF Same-Store-Sales	$3,236	$2,116	$3,015
TGIF Unit Growth		$401	$1,582
TGIF Remodels	0	$79	$784
Other Brand Margin Exp.	($498)	$1,100	$800
Other Adjustments	($1,418)	($1,203)	(3,371)
YOY Changes	$1,263	$2,492	$2,810
EBITDA	**$16,744**	**$19,236**	**$22,046**

Source: Brimmal Research estimates.

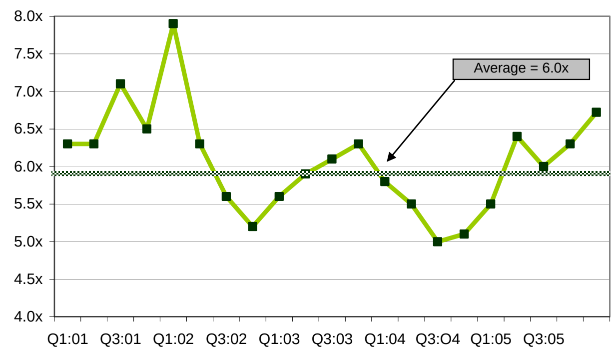
Risks to our estimates include higher commodity and utility expenses as a result of higher fuel costs. MAIN's food supplier, US Foodservice has added a "fuel surcharge" of 25 basis points to its deliveries. Additionally, we remain concerned about the potential negative impact from continued low-margin promotions by Carlson. However, we believe MAIN will be better prepared to manage labor in the future than it was in Q3:05. Finally, we are carefully monitoring the Company's success in managing the delicate balance between cost cutting initiatives and customer-employee initiatives, the latter of which sometimes result in higher cost, but also sales. We note the deleterious SSS effect continued cost initiatives had on other brands, e.g. Champps (Nasdaq: CMPP) and privately-held Dave & Buster's, and while we are pleased MAIN has rolled out a new incentive program for its managers, we are too early in the roll-out to gauge the success of the program and potential impact this may have on maintaining or enhancing the guest experience inside the four walls. Our complete earnings model can be found on page 17.

MAIN's 2006 first quarter earnings release is expected the week of May 1st.

VALUATION

Restaurants as a group tend to trade on multiples of earnings (EPS) and cash flow (EBITDA). We believe an Enterprise Value/EBITDA multiple is most appropriate for MAIN given the Company's historic write-offs and tax loss carryforwards which have distorted reported EPS. A year ago, MAIN, was in our-view a classic "value play" for which the market had extremely low expectations. As such, we believed investors would accord the shares a higher valuation only as results were achieved. Under this scenario, we did not argue for multiple expansion from the historic 5-year 6.0x EV/ TTM EBITDA multiple.

Exhibit 16
MAIN: Enterprise Value/ TTM EBITDA Multiple



Source: SEC filings and Brimmal estimated adjustments to exclude write-offs.

We find ourselves in a different situation in 2006 as the management team has executed on many of its stated promises and the Company's EV/ TTM EBITDA multiple has expanded to 6.7x (**Exhibit 16**). We believe this multiple will continue to expand as the management team executes, moving closer to the median EV/ TTM EBITDA multiple of 9.4x at which the group currently trades. While we believe a discount remains appropriate due to the inherently lower profitability of a publicly traded franchise operation and MAIN's higher leverage, our previous work leads up to believe this discount should be approximately 20%, suggesting a multiple of 7.5x TTM EBITDA.

Exhibit 17 shows MAIN's valuation based on range of EBITDA multiples. Based on our 2006 EBITDA estimate of approximately $19.2 million and $28 million in net debt, we believe fair value of the shares is approximately $6.46 at 7.5x TTM EBITDA ($5.60 at 6.7x, the current multiple). We are therefore initiating coverage with a "Buy" rating and $6.50 12-month price target.

Exhibit 17
EBITDA Valuation Sensitivities

	EV/EBITDA Multiple				
EBITDA	6.5x	7.0x	7.5x	8.0x	8.5x
18,250	$ 5.03	$ 5.53	$ 6.04	$ 6.55	$ 7.05
18,750	$ 5.21	$ 5.73	$ 6.25	$ 6.77	$ 7.29
19,250	$ 5.39	$ 5.92	$ 6.46	$ 6.99	$ 7.53
19,750	$ 5.57	$ 6.12	$ 6.66	$ 7.21	$ 7.76
20,250	$ 5.75	$ 6.31	$ 6.87	$ 7.44	$ 8.00
20,750	$ 5.93	$ 6.50	$ 7.08	$ 7.66	$ 8.23

Source: Brimmal Research estimates.

Risks to our projections, valuation and price target include increasing competition, regulatory and political changes related to labor law and taxes, a change in customer preference, interruption in the business cycle, food safety issues, litigation issues and/or management's inability to execute the business plan, etc., all of which could impact our forward EBITDA, earnings estimates and price target.

EARNINGS MODEL

BRIMMAL RESEARCH

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MAIN STREET RESTAURANT GROUP INC. Income Statement	CY 2003	Mar 1Q-R	Jun 2Q	Sep 3Q	Dec 4Q	CY 2004	Mar 1Q	Jun 2Q	Sep 3Q	Dec 4Q	CY 2005	Mar 1QE	Jun 2QE	Sep 3QE	Dec 4QE	CY 2006E	CY 2007E
Revenue	**224,494**	**59,079**	**56,610**	**54,845**	**54,218**	**224,751**	**61,432**	**61,670**	**59,120**	**57,507**	**239,729**	**64,715**	**64,672**	**63,593**	**62,994**	**255,974**	**275,782**
Unit-level Expenses																	
Cost of Goods Sold	60,299	15,646	14,902	14,197	14,280	59,025	16,274	16,164	15,632	15,195	63,265	17,214	17,073	16,979	17,053	68,320	73,910
Payroll and Benefits	70,415	18,419	17,639	16,862	16,367	69,287	18,582	18,739	18,529	17,372	73,222	19,544	19,660	19,904	19,219	78,328	84,114
Other Direct Operating Expenses	70,079	18,179	17,779	17,737	17,649	71,438	19,086	19,302	19,041	18,659	76,089	19,868	19,725	19,459	19,532	78,584	83,562
Total Unit-level Costs	200,793	52,244	50,320	48,796	48,296	199,750	53,942	54,205	53,202	51,226	212,576	56,626	56,459	56,343	55,804	225,232	241,585
Unit-level EBITDA	**23,701**	**6,835**	**6,290**	**6,049**	**5,922**	**25,001**	**7,490**	**7,465**	**5,918**	**6,281**	**27,153**	**8,089**	**8,213**	**7,250**	**7,190**	**30,742**	**34,197**
Other Operating Expenses																	
General & Administrative	8,977	2,472	2,199	2,249	2,291	9,210	2,403	2,449	2,549	2,680	10,081	2,501	2,436	2,883	2,675	10,495	11,031
Depreciation & Amortization	8,386	2,075	2,187	2,176	2,153	8,591	2,101	2,240	2,276	2,327	8,944	2,141	2,335	2,406	2,589	9,471	9,660
Amortization of Intangibles	606	162	186	189	220	758	218	234	241	259	952	196	211	217	233	857	874
New Manager Training Expenses	195	-	-	41	30	50	1	3	6	4	14	16	12	18	35	81	160
Pre-Opening/Start-up Costs	907	22	1	195	42	260	7	31	151	125	314	150	300	150	330	930	960
Total Other Operating Expenses	19,071	4,731	4,573	4,850	4,736	18,869	4,730	4,957	5,223	5,395	20,305	5,004	5,294	5,674	5,862	21,834	22,686
Operating Income	**4,630**	**2,104**	**1,717**	**1,199**	**1,186**	**6,132**	**2,760**	**2,508**	**695**	**886**	**6,848**	**3,085**	**2,920**	**1,576**	**1,327**	**8,908**	**11,511**
Interest and Other Items																	
Interest Expense (Income)	4,521	974	800	973	1,047	3,794	914	924	921	2,412	3,122	855	923	1,058	1,165	4,000	2,795
Pretax Income (EBT)	109	1,130	917	226	139	2,338	1,846	1,584	(226)	(1,526)	3,726	2,230	1,997	518	162	4,908	8,717
Income Taxes	-	-	50	62	(112)	-	110	-	(110)	202	202	75	-	(85)	290	300	1,743
Net Income to Common	109	1,130	867	164	251	2,338	1,736	1,584	(116)	(1,728)	3,524	2,155	1,997	603	(128)	4,608	6,973
EPS - Diluted (Adjusted)	**$0.01**	**$0.08**	**$0.06**	**$0.01**	**$0.02**	**$0.16**	**$0.12**	**$0.09**	**($0.01)**	**($0.10)**	**$0.22**	**$0.12**	**$0.11**	**$0.03**	**($0.01)**	**$0.25**	**$0.36**
Wgtd. Shares Out - Diluted	14,179	14,914	14,462	14,642	14,642	14,665	14,856	16,721	17,039	17,241	16,321	17,411	17,955	18,389	18,500	18,500	19,300
Impairment Charges and Other	5,906	-	-	-	1,385	1,385	-	-	-	7,294	7,294	-	-	-		-	-
(Gains) and Other One-time Items	(3,831)	-	-	-	-	-	259	34	120	-	413	-	-	-	-	-	-
Reported / GAAP Net Income	(1,966)	1,130	867	164	(1,134)	953	1,477	1,550	(236)	(9,022)	(4,183)	2,155	1,997	603	(128)	4,608	6,973
EPS - Diluted (Reported)	**($0.14)**	**$0.08**	**$0.06**	**$0.01**	**($0.08)**	**$0.06**	**$0.10**	**$0.09**	**($0.01)**	**($0.52)**	**($0.26)**	**$0.12**	**$0.11**	**$0.03**	**($0.01)**	**$0.25**	**$0.36**
EBITDA	**$13,622**	**$4,341**	**$4,090**	**$3,564**	**$3,559**	**$15,481**	**$5,079**	**$4,982**	**$3,212**	**$3,472**	**$16,744**	**$5,422**	**$5,465**	**$4,199**	**$4,150**	**19,236**	**$22,046**
EBITDA Margin	6.1%	7.3%	7.2%	6.5%	6.6%	6.9%	8.3%	8.1%	5.4%	6.0%	7.0%	8.4%	8.5%	6.6%	6.6%	7.5%	8.0%
Same Store Sales (SSS)	1.1%	5.0%	(1.6%)	1.1%	4.2%	2.4%	6.3%	10.8%	8.5%	5.0%	7.7%					3.0%	3.5%
Total Units @ Year-End	68					69					70					74	83
TGI Fridays	51					51					55					59	61
Bamboo Club	12					13					10					10	7
Other	5					5					5					5	5
Unit Additions	6					1			1	1	2		1	2	1	4	4

MAIN STREET RESTAURANT GROUP INC. Margin & Mix Analysis	CY 2003	Mar 1Q-R	Jun 2Q	Sep 3Q	Dec 4Q	CY 2004	Mar 1QE	Jun 2Q	Sep 3QE	Dec 4QE	CY 2005E	Mar 1QE	Jun 2Q	Sep 3QE	Dec 4QE	CY 2006E	CY 2007E
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Rev. Growth (yr./yr.)	*2.0%*	*2.6%*	*(5.8%)*	*1.2%*	*3.0%*	*0.1%*	*4.0%*	*8.9%*	*7.8%*	*6.1%*	*6.7%*	*5.3%*	*4.9%*	*7.6%*	*9.5%*	*6.8%*	*7.7%*
Unit-level Expenses																	
Cost of Goods Sold	26.9%	26.5%	26.3%	25.9%	26.3%	26.3%	26.5%	26.2%	26.4%	26.4%	26.4%	26.6%	26.4%	26.7%	26.8%	26.7%	26.8%
Payroll and Benefits	31.4%	31.2%	31.2%	30.7%	30.2%	30.8%	30.2%	30.4%	31.3%	30.2%	30.5%	30.2%	30.4%	31.3%	27.1%	30.6%	30.5%
Other Direct Operating Expenses	31.2%	30.8%	31.4%	32.3%	32.6%	31.8%	31.1%	31.3%	32.2%	32.4%	31.7%	30.7%	30.5%	30.6%	31.0%	30.7%	30.3%
Total Unit-level Costs	89.4%	88.4%	88.9%	89.0%	89.1%	88.9%	87.8%	87.9%	90.0%	89.1%	88.7%	87.5%	87.3%	88.6%	88.6%	88.0%	87.6%
Unit-level EBITDA	**10.6%**	**11.6%**	**11.1%**	**11.0%**	**10.9%**	**11.1%**	**12.2%**	**12.1%**	**10.0%**	**10.9%**	**11.3%**	**12.5%**	**12.7%**	**11.4%**	**11.4%**	**12.0%**	**12.4%**
Other Operating Expenses																	
General & Administrative	4.0%	4.2%	3.9%	4.1%	4.2%	4.1%	3.9%	4.0%	4.3%	4.7%	3.9%	3.9%	3.8%	4.5%	4.2%	4.1%	4.0%
Depreciation & Amortization	3.7%	3.5%	3.9%	4.0%	4.0%	3.8%	3.4%	3.6%	3.8%	4.0%	3.7%	3.3%	3.6%	3.8%	4.1%	3.7%	3.5%
Amortization of Intangibles	0.3%	0.3%	0.3%	0.3%	0.4%	0.3%	0.4%	0.4%	0.4%	0.5%	0.4%	0.3%	0.3%	0.3%	0.4%	0.3%	0.3%
New Manager Training Expenses	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Pre-Opening/Start-up Costs	0.4%	0.0%	0.0%	0.4%	0.1%	0.1%	0.0%	0.1%	0.3%	0.2%	0.1%	0.2%	0.5%	0.2%	0.5%	0.4%	0.3%
Total Other Operating Expenses	8.5%	8.0%	8.1%	8.8%	8.7%	8.4%	7.7%	8.0%	8.8%	9.4%	8.5%	7.7%	8.2%	8.9%	9.3%	8.5%	8.2%
Operating Income	**2.1%**	**3.6%**	**3.0%**	**2.2%**	**2.2%**	**2.7%**	**4.5%**	**4.1%**	**1.2%**	**1.5%**	**2.9%**	**4.8%**	**4.5%**	**2.5%**	**2.1%**	**3.5%**	**4.2%**
Interest and Other Items																	
Interest Expense (Income)	2.0%	1.6%	1.4%	1.8%	1.9%	1.7%	1.5%	1.5%	1.6%	4.2%	1.3%	1.3%	1.4%	1.7%	1.8%	1.6%	1.0%
Pretax Income (EBT)	0.0%	1.9%	1.6%	0.4%	0.3%	1.0%	3.0%	2.6%	(0.4%)	(2.7%)	1.6%	3.4%	3.1%	0.8%	0.3%	1.6%	3.2%
Tax Rate	0.0%	0.0%	5.5%	27.4%	(80.6%)	0.0%	6.0%	0.0%	48.7%	(13.2%)	5.4%	3.4%	0.0%	(16.4%)	178.5%	6.1%	20.0%
Net Income to Common	0.0%	1.9%	1.5%	0.3%	0.5%	1.0%	2.8%	2.6%	(0.2%)	(3.0%)	1.5%	3.3%	3.1%	0.9%	(0.2%)	1.8%	2.5%
Growth (YOY) - Adjusted EPS	**(117.1%)**					**110.4%**					**35.4%**					**15.4%**	**45.1%**

BRIMMAL RESEARCH

Main Street Restaurant Group Inc.
Statistical Summary of Financial Model
($ in thousands except per share)

Year End: DEC
Nasdaq: MAIN

BALANCE SHEET

	Dec-02	Dec-03	Dec-04	Dec-05
Assets				
Cash & Equivalents	$5,621	$4,600	$5,593	$10,124
Inventory	$2,832	$2,762	$2,758	$2,796
Prepaid expenses	$2,104	$971	$477	$341
Accounts Receivable	$1,997	$1,494	$1,208	$2,826
Total Current Assets	$12,554	$9,827	$10,036	$16,087
Equip. and leasehold impr.	$71,265	$68,129	$66,444	$58,263
Goodwill	$22,995	$21,685	$21,255	$20,255
Other Assets and Deferred Charges	$5,581	$6,566	$5,437	$4,804
TOTAL ASSETS	$112,395	$106,207	$103,172	$99,409
Liabilities and Shareholders' Equity				
Acct. payable	$8,073	$6,408	$6,626	$7,194
Accrued expenses	$16,007	$16,577	$19,260	$23,579
Curr. Portion -LTD	$3,502	$3,815	$3,851	$3,383
Total Current Liabilities	$27,582	$26,800	$29,737	$34,156
L-T debt, less current	$51,998	$47,869	$42,232	$34,902
Other L-T liabilities	$3,205	$2,441	$1,918	$1,402
Total Liabilities	$82,785	$77,110	$73,887	$70,460
Shareholders' Equity	$29,610	$29,097	$29,285	$28,949
TOTAL LIAB. & SE	$112,395	$106,207	$103,172	$99,409
Debt/Equity	1.87 x	1.78 x	1.57 x	1.32 x
Debt/Cap	**65.2%**	**64.0%**	**61.1%**	**56.9%**

CASH FLOW AND SUPPLEMENTAL

	CFO	**CFI**	**CFF**	**Chg. In cash**
2000	$3,824	($24,810)	$22,496	$1,510
2001	$12,529	($11,492)	$3,864	$4,901
2002	$9,195	($18,578)	$5,538	($3,845)
2003	$7,267	($5,473)	($2,815)	($1,021)
2004	$13,184	($6,768)	($6,733)	-317
2005	$14,230	($6,733)	($2,815)	4682

	CapEx	**Asset Sales**	**Acqs.**	**Net CapEx**
2000	($18,103)	$5,432	($12,139)	($24,810)
2001	($14,013)	$2,851	($330)	($11,492)
2002	($18,548)	-	($30)	($18,578)
2003	($10,253)	$4,505	($50)	($5,798)
2004	($8,115)	$0	$0	($8,115)
2005	($8,124)	$0	($50)	($8,174)

	EBITDA	**Net CapEx**	**DELTA**
2000	$14,351	($24,810)	($10,459)
2001	$16,198	($11,492)	$4,706
2002	$12,981	($18,578)	($5,597)
2003	$13,622	($5,798)	$7,824
2004	$15,481	($8,115)	$7,366
2005	$16,744	($7,424)	$9,320
2006E	$19,236	($15,600)	$3,636
2007E	$22,046	($19,500)	$2,546

Notes:

SMALL & MID-CAP RESTAURANT UNIVERSE

		MARKET			VALUATION					LEVERAGE	Shares
		Share Price ($)	Value ($MM)		P/E (x)		EV/ EBITDA (x)		EV/ FY1 Revs	Total Debt/ Cap	Avg. Daily
Symbol	Company	18-Apr-05	Market	Enterprise	TTM	FY1	TTM	FY1			Trading Vol.
MID-SMALL CAP RESTAURANTS											
ARKR	Ark Restaurants Corp.	29.73	103	100	16.8	NA	8.5	NA	NA	0%	2,771
BYBI	Back Yard Burgers Inc.	4.99	25	27	NM	NA	7.6	NA	NA	24%	5,332
BNHN.A	Benihana Inc.	34.70	329	323	29.7	26.1	9.0	NA	1.3	9%	10,648
BJRI	BJ's Restaurants Inc.	25.88	589	580	71.9	63.1	32.2	23.2	2.5	0%	54,813
BWLD	Buffalo Wild Wings Inc.	38.36	326	322	NM	27.2	12.9	9.5	1.2	0%	127,422
CPKI	California Pizza Kitchen Inc.	32.25	639	628	27.6	28.5	10.8	9.2	1.1	0%	223,151
CBOU	Caribou Coffee Company, Inc.	9.71	187	153	(33.5)	(48.6)	9.5	7.7	0.6	0%	96,946
CMPP	Champps Entertainment Inc.	7.93	105	109	0.4	0.3	6.7	6.8	0.5	15%	17,260
CHKR	Checkers Drive In Restaurants Inc.	14.80	170	176	20.0	14.5	7.0	NA	0.8	20%	144,714
COSI	Cosi Inc.	9.78	380	378	NM	NM	NM	NM	2.6	0%	263,306
DENN	Denny's Corp.	4.84	444	970	(69.1)	69.1	8.4	7.9	1.0	192%	1,276,830
DAVE	Famous Dave's of America Inc.	13.50	143	154	34.6	30.0	11.8	NA	1.4	30%	59,148
BDL	Flanigan's Enterprises Inc.	10.00	19	18	15.6	NA	4.3	NA	NA	12%	1,476
FRN	Friendly Ice Cream Corp.	8.68	69	285	(2.5)	NA	7.7	NA	NA	254%	14,356
FRS	Frisch's Restaurants Inc.	22.16	112	157	8.6	NA	5.5	NA	NA	32%	8,070
GTIM	Good Times Restaurants Inc.	5.50	22	20	(12.8)	NA	35.7	NA	NA	11%	1,982
GCFB	Granite City Food & Brewery Ltd.	4.41	58	70	(14.2)	(10.5)	NM	NM	1.3	55%	14,794
GMCR	Green Mountain Coffee Roasters Ir	37.94	284	283	30.4	29.0	12.9	10.5	1.4	10%	17,362
GRIL	Grill Concepts Inc.	3.36	19	19	24.0	NA	6.2	NA	NA	22%	3,684
IHP	IHOP Corp.	46.92	865	1,153	20.7	19.8	11.9	12.1	3.2	51%	126,325
JAX	J. Alexander's Corp.	8.20	54	72	15.8	NA	6.5	NA	NA	32%	12,922
KONA	Kona Grill Inc.	11.22	65	64	(86.3)	(16.5)	21.5	NM	1.3	10%	32,695
LNY	Landry's Restaurants Inc.	34.85	756	1,531	17.9	15.8	9.0	7.5	1.0	61%	224,679
STAR	Lone Star Steakhouse & Saloon In	26.63	551	532	25.4	26.4	9.2	9.0	0.8	0%	162,497
LUB	Luby's Inc.	11.40	316	318	13.9	17.5	8.5	8.8	1.0	5%	192,752
MAIN	**Main Street Restaurant Group In**	**4.87**	**84**	**112**	**(10.1)**	**19.6**	**6.7**	**5.8**	**0.4**	**57%**	**31,592**
MAXE	Max & Ermas Restaurants Inc.	10.40	27	70	(13.2)	NA	8.0	NA	NA	77%	1,925
MSSR	Mccormick & Schmick's Seafood R	24.43	346	342	31.3	28.1	13.1	NA	1.1	0%	80,439
MHG	Meritage Hospitality Group Inc.	4.64	25	46	(5.3)	NA	53.1	NA	NA	77%	3,452
CASA	Mexican Restaurants Inc.	12.57	42	47	20.1	NA	6.8	NA	NA	23%	3,363
NATH	Nathan's Famous Inc.	12.35	69	97	15.2	NA	16.5	NA	NA	100%	10,240
NROM	Noble Roman's Inc.	0.97	16	24	(6.1)	NA	7.1	NA	NA	57%	7,322
CHUX	O'Charley's Inc.	16.93	388	568	23.5	18.8	7.0	6.1	0.6	35%	262,092
PEET	Peet's Coffee & Tea Inc.	29.44	410	389	39.8	46.0	16.9	15.0	1.8	0%	109,039
PZZI	Pizza Inn Inc.	3.27	33	42	(27.3)	NA	47.7	NA	NA	52%	28,035
RRGB	Red Robin Gourmet Burgers Inc.	47.44	783	890	27.7	26.7	12.4	10.5	1.5	35%	357,222
RUBO	Rubio's Restaurants Inc.	9.39	89	83	NM	49.4	13.8	6.4	0.6	0%	20,471
RYAN	Ryan's Restaurant Group Inc.	13.27	559	728	19.0	15.6	7.9	NA	0.9	29%	274,013
SWRG	Smith & Wollensky Restaurant Gro	5.40	46	55	(16.4)	NA	9.6	NA	NA	19%	14,336
STRZ	Star Buffet Inc.	8.50	26	33	70.8	NA	6.5	NA	NA	30%	9,773
SNS	Steak n Shake Co., The	19.67	549	707	18.4	18.9	8.5	7.9	7.9	38%	144,048
	Mid-Small Cap - Median				**16.8**	**22.9**	**9.0**	**8.8 x**	**1.1 x**	**23%**	
	Mid-Small Cap - Average				9.2	21.5	12.9	9.6 x	1.5 x	36%	
ALL RESTAURANTS	**MEDIAN**				**18.7**	**19.9**	**9.2**	**8.8 x**	**1.3 x**	**23%**	
	AVERAGE				9.2	21.5	12.9	9.6 x	1.6 x	36%	
	Russell 2000	770									
	NASDAQ Composite	2,356									
	S&P 500	1,307									

Source: Thomson One Analytics and Brimmal Research estimates.

LARGE-CAP RESTAURANT UNIVERSE

		MARKET			VALUATION					LEVERAGE	Shares
		Share Price ($)	Value ($MM)		P/E (x)		EV/ EBITDA (x)		EV/ FY1 Revs	Total Debt/ Cap	Avg. Daily
Symbol	Company	18-Apr-05	Market	Enterprise	TTM	FY1	TTM	FY1			Trading Vol.
LARGE CAP RESTAURANTS											
APPB	Applebee's International Inc.	22.95	1,707	1,874	17.8	17.8	8.8	8.1	1.4	30%	758,956
BOBE	Bob Evans Farms Inc.	28.98	1,039	1,258	28.1	24.0	8.6	NA		26%	416,249
EAT	Brinker International Inc.	40.07	3,435	3,867	18.4	18.6	7.8	7.7	0.9	32%	765,271
CBRL	CBRL Group Inc.	42.17	1,997	2,189	17.4	17.4	8.1	8.2	0.8	20%	1,109,430
CEC	CEC Entertainment Inc.	32.34	1,089	1,227	16.1	16.3	6.7	6.4	1.6	31%	320,708
CAKE	Cheesecake Factory Inc.	33.60	2,650	2,645	30.8	30.0	15.2	13.3	1.9	4%	679,883
CKR	CKE Restaurants Inc.	16.25	966	1,217	18.7	17.5	8.4	NA	0.8	63%	900,679
DRI	Darden Restaurants Inc.	39.71	4,858	5,581	18.2	18.5	8.2	7.4		39%	1,111,600
DPZ	Dominos Pizza Inc.	27.70	1,863	2,534	19.1	17.0	10.8	9.7	1.6	325%	371,511
JBX	Jack in the Box Inc.	43.46	1,503	1,697	17.0	16.7	6.8	7.4	0.6	35%	361,787
MCD	McDonald's Corp.	34.48	43,329	48,665	16.9	15.7	9.7	8.5	2.3	39%	6,065,270
OSI	Outback Steakhouse Inc.	39.33	2,961	3,059	17.6	20.8	7.8	7.4	0.8	15%	1,296,070
PNRA	Panera Bread Co.	67.54	2,115	2,090	40.9	34.8	18.3	15.5	2.5	0%	439,775
PZZA	Papa John's International Inc.	32.39	1,075	1,108	25.1	22.8	10.8	9.5	1.1	25%	378,094
PFCB	PF Chang's China Bistro Inc.	44.45	1,177	1,212	31.8	32.0	11.8	10.7	1.3	18%	561,040
RARE	RARE Hospitality International Inc.	33.06	1,112	1,139	21.2	19.9	9.9	8.2	1.0	8%	226,654
RI	Ruby Tuesday Inc.	30.26	1,757	2,109	19.9	18.7	9.5	9.2	1.6	42%	784,778
SONC	Sonic Corp.	33.82	1,954	2,092	27.3	25.8	12.7	12.4	3.0	29%	346,683
SBUX	Starbucks Corp.	38.57	29,443	29,253	58.4	55.1	14.2	22.6	3.6	4%	5,232,310
TXRH	Texas Roadhouse Inc.	15.55	1,142	1,121	37.0	33.8	18.1	14.0	1.9	3%	483,235
WEN	Wendy's International Inc.	61.88	7,074	7,228	29.3	26.1	12.5	10.6	1.8	21%	1,582,930
YUM	Yum! Brands Inc.	47.78	13,179	14,881	18.8	17.0	9.2	8.7	1.6	55%	1,422,560
	Large Cap - Median				**19.5**	**19.3**	**9.6**	**8.9 x**	**1.6 x**	**28%**	
	Large Cap - Average				24.8	23.5	10.6	10.3 x	1.6 x	39%	
ALL RESTAURANTS	**MEDIAN**				**18.7**	**19.9**	**9.2**	**8.8 x**	**1.3 x**	**23%**	
	AVERAGE				9.2	21.5	12.9	9.6 x	1.6 x	36%	
	Russell 2000	770									
	NASDAQ Composite	2,356									
	S&P 500	1,307									

Source: Thomson One Analytics and Brimmal Research estimates.

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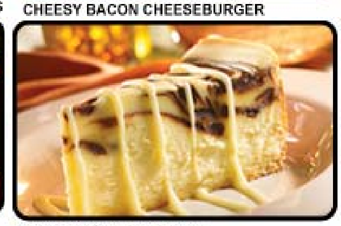
CHEESY BACON CHEESEBURGER


BRUSCHETTA CHICKEN PASTA


SANTA FE CHICKEN SALAD


GRILLED CHICKEN FLAVOR SHOTS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DOUBLE-STACK QUESADILLAS

SALADS
NEW! SHANGHAI CHICKEN SALAD
SANTA FE CHICKEN SALAD
COBB SALAD
GRILLED CHICKEN CAESAR SALAD
PECAN-CRUSTED CHICKEN SALAD

LOW-FAT
New! ZEN CHICKEN POT STICKERS
New! SHANGHAI CHICKEN SALAD
SANTA FE CHICKEN SALAD
BRUSCHETTA TILAPIA

SOUPS
BROCCOLI CHEESE SOUP
FRENCH ONION SOUP
SOUP OF THE DAY

PASTAS
BRUSCHETTA CHICKEN PASTA
BLACKENED CHICKEN ALFREDO
VEGETABLE GRILL
CAJUN SHRIMP & CHICKEN PASTA

JACK DANIEL'S GRILL
JACK DANIEL'S® FLAT IRON STEAK
JACK DANIEL'S® RIBS & SHRIMP
JACK DANIEL'S® NEW YORK STRIP & SHRIMP
JACK DANIEL'S® NEW YORK STRIP
JACK DANIEL'S® GLAZED RIBS
JACK DANIEL'S® SALMON
JACK DANIEL'S® SHRIMP
JACK DANIEL'S® CHICKEN
JACK DANIEL'S® CHICKEN & SHRIMP

FRIDAY'S® STEAKHOUSE SELECTS
CUSTOMIZE YOUR STEAK EXPERIENCE WITH A CHOICE OF ANY CLASSIC CUT, BUTTER SAUCE AND SAVORY SIDE.
NEW YORK STRIP
FLAT IRON
CLASSIC SIRLOIN

RIBS & MORE
JACK DANIEL'S® GLAZED RIBS
DOUBLE-GLAZED RIBS
BABY BACK RIBS
New! MARINATED SKIRT STEAK FLAVOR SHOTS
New! SIZZLING JALAPEÑO JACK DANIEL'S® FAJITAS
SIZZLING STEAK FAJITAS
SIZZLING FAJITA COMBO

SEAFOOD
New! SKEWERED CRISPY SHRIMP
BRUSCHETTA TILAPIA
FISH & CHIPS
FRIDAY'S® SHRIMP
SHRIMP KEY WEST

BURGERS
New! CHEESY BACON CHEESEBURGER
JACK DANIEL'S® BURGER
BACON CHEESEBURGER
MUSHROOM, ONION & SWISS BURGER
SOUTHWEST JALAPEÑO BURGER
FRIDAY'S® GARDENBURGER®
CHEESEBURGER

CHICKEN
CHICKEN & SHRIMP
SIZZLING CHICKEN & CHEESE
CHICKEN FINGERS
New! GRILLED CHICKEN FLAVOR SHOTS
SIZZLING CHICKEN FAJITA COMBO
SIZZLING CHICKEN FAJITAS
DOUBLE-STACK QUESADILLAS

SANDWICHES
New! JACK DANIEL'S® PULLED PORK SANDWICH
FRIDAY'S® CHICKEN
CHICKEN FINGER BLT
BLACKENED-CAJUN CHICKEN
FRIDAY'S® CLUB

DESSERTS
New! FUDGE FIXATION
BROWNIE OBSESSION
VANILLA BEAN CHEESECAKE
CINNABON® CHEESECAKE
OREO® MADNESS

Item availability may vary during lunch and by location.

Main Street Restaurant Group, Inc.
Unit Locations

TGI FRIDAY'S

Units Total	Units Mkt	Location	Market	Square Footage	Seating Capacity	In Operation Since	Operated by MAIN Since
1	1	Tucson	AZ	7,798	290	1982	1990
2	2	Mesa	AZ	9,396	298	1985	1990
3	3	Phoenix	AZ	9,396	298	1985	1990
4	4	Glendale	AZ	5,200	230	1993	1993
5	5	Superstition Springs (Mesa)	AZ	6,250	240	1998	1998
6	6	Chandler 1	AZ	6,000	240	1999	1999
7	7	Tucson	AZ	5,800	240	1999	1999
8	8	Goodyear	AZ	6,000	207	2000	2000
9	9	Scottsdale	AZ	7,100	263	2000	2000
10	10	Chandler 2	AZ	6,800	322	2002	2002
11	11	Desert Ridge Mall (Phoenix)	AZ	6,573	292	2003	2003
12	12	Surprise, AZ	AZ	7,455	304	2005	2005
13	13	Happy Valley (North Phoenix)	AZ	7,077	305	2005	2005
13	1	Fresno	CA	5,950	230	1978	1998
14	2	San Diego 1	CA	8,002	234	1979	1993
15	3	Costa Mesa	CA	8,345	232	1980	1993
16	4	Woodland Hills	CA	8,358	283	1980	1993
17	5	Torrance	CA	8,923	237	1982	1993
18	6	North Orange	CA	9,194	213	1983	1993
19	7	Palm Desert	CA	9,194	235	1983	1993
20	8	La Jolla	CA	9,396	225	1984	1993
21	9	West Covina	CA	9,396	232	1984	1993
22	10	San Bernardino	CA	9,396	236	1986	1993
23	11	Laguna Niguel	CA	6,730	205	1990	1993
24	12	Brea	CA	6,500	195	1991	1993
25	13	Riverside	CA	6,500	172	1991	1993
26	14	Ontario	CA	5,700	190	1993	1993
27	15	Valencia	CA	6,500	232	1993	1993
28	16	Oxnard	CA	6,500	252	1994	1994
29	17	Carmel Mountain	CA	6,500	252	1995	1995
30	18	Pleasanton	CA	8,000	255	1995	1998
31	19	Rancho Santa Margarita	CA	6,548	252	1995	1995
32	20	Cerritos	CA	6,250	223	1996	1996
33	21	Carlsbad	CA	8,146	302	1999	1999
34	22	Puente Hills	CA	5,800	272	1999	1999
35	23	Rancho (San Diego)	CA	5,800	240	1999	1999
36	24	San Diego 2	CA	6,800	277	1999	1999
37	25	Simi Valley	CA	5,800	240	1999	1999
38	26	Temecula	CA	6,400	278	1999	1999
39	27	Yorba Linda	CA	5,800	240	1999	1999
40	28	N. Long Beach	CA	7,177	291	2000	2000
41	29	Thousand Oaks	CA	6,400	249	2000	2000
42	30	Union City (San Francisco)	CA	6,400	240	2000	2000
43	31	Porter Ranch	CA	6,426	245	2001	2001
44	1	Las Vegas 1	NV	9,194	298	1982	1990
45	2	Reno	NV	6,500	263	1994	1994
46	3	Las Vegas 2	NV	6,700	251	1997	1997
47	4	Henderson	NV	5,800	240	1999	1999
48	1	Albuquerque	NM	5,975	270	1993	1993
49	2	Albuquerque West	NM	6,426	241	2001	2001
50	1	Overland Park	KS	6,000	220	1992	1993
52	2	Leawood	KS	7,248	240	2000	2000
53	3	Shawnee	KS	6,400	245	2000	2000
54	1	Independence	MO	5,800	240	1999	1999
55	1	Omaha	NE	6,750	227	1992	2005
		Average		**7,013**	**248**	**1993**	**1997**

TGI FRIDAY'S -- 2006 UNIT OPENINGS

1	Las Vegas, Nevada (Orleans Casino)	NV	Apr. 10, 2006
2	Rancho Cucamonga, CA	CA	Q2:2006 Est.
3	Flagstaff, AZ	AZ	Q3:2006 Est.
4	Corona, CA	CA	Q3:2006 Est.
5	Chandler, AZ	AZ	Q1:2007 Est.
6	Chino Hills, CA	CA	Q1:2007 Est.

BAMBOO CLUB "ASIAN BISTRO"

	Location		Square Footage	Seating Capacity	In Operation Since	Operated by MAIN Since
	Core Markets					
1	Phoenix, Arizona	AZ	5,400	200	1995	2000
2	Scottsdale, Arizona	AZ	5,400	200	1997	2000
3	Tampa, Florida	FL	8,100	235	2001	2001
4	West Palm Beach, Florida	FL	6,317	180	2001	2001
5	Tempe, Arizona	AZ	6,400	210	2001	2001
6	Tucson, Arizona	AZ	6,422	277	2002	2002
9	Desert Ridge Mall (Phoenix) AZ	AZ	7,000	293	2003	2003
	Non-Core Markets					
8	Novi, Michigan	MI	6,941	291	2003	2003
7	King of Prussia, Pennsylvania	PA	7,391	243	2002	2002
10	Raleigh/Durham, North Carolina	NC	7,217	271	2003	2003
	Closed Locations					
1	Newport, Kentucky	KY	6,735	236	2002	2002
2	Miami (Aventura), Florida	FL	6,544	236	2003	2003
3	Fairfax, Virginia	VA				2004
	Average		**6,656**	**239**	**2001**	**2002**

REDFISH SEAFOOD GRILL & BAR

	Location		Square Footage	Seating Capacity	In Operation Since	Operated by MAIN Since
1	Chicago, Illinois	IL	6,200	214	1996	1997
2	Cincinnati, Ohio	OH	7,133	239	1997	1997
3	Scottsdale, Arizona	AZ	7,285	218	2001	2001
4	Chandler, Arizona	AZ	7,216	334	2002	2002
	Average		**6,959**	**251**	**1999**	**1999**

ALICE COOPER'STOWN

1	Cleveland, Ohio	OH	11,160	356	2002	2002

Source: SEC filings and Brimmal Research estimates.

IMPORTANT DISCLOSURES

PUBLIC COMPANIES MENTIONED

Please see pages 19-20 – Restaurant Universe.

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Risks to our projections, valuation and price target include increasing competition, regulatory and political changes related to labor law and taxes, a change in customer preference, interruption in the business cycle, food safety issues, litigation issues and/or management's inability to execute the business plan, etc., all of which could impact our forward EBITDA and earnings estimates and price target.

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BUY: Stock is expected to appreciate in value by more than 10 percent and/or outperform the industry over the next 12 months. Our qualitative and quantitative analysis concludes the stock is under priced at current levels.

SPECULATIVE BUY: Our quantitative analysis suggests the stock is undervalued at current levels, but significant qualitative variables exists, e.g. execution risk, liquidity risk, concentration risks, and other factors that primarily affect micro-cap companies. There is too much uncertainty regarding the assumptions we make in our analysis. The stock has the potential for significant gains in the future, but may have considerable financial risks in the immediate term.

HOLD: Stock is expected to vary within a range of +/- 10 percent and/or perform in-line with the industry over the next twelve months. Our qualitative and quantitative analysis suggests the stock is fairly priced at current levels.

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BRIMMAL RESEARCH

Industry Terms:

Same Store Sales is a statistic used in restaurant and retail analysis. It compares sales of stores (units) that have been open for a year or more, generally either 12 or 18 months. This statistic allows investors to determine what portion of new sales has come from sales growth and what portion from the opening of new stores (units).

Unit/Restaurant-level Cash Flow is an operating metric designed to measure the profitability inherent at each unit before corporate operating expenses (G&A), depreciation & amortization expense (D&A) and pre-opening costs. It is calculated by subtracting from Restaurant Sales (excl. franchise and other revenues) the cost of goods sold (COGS), labor and other direct operating expenses (utilities, occupancy, etc.).