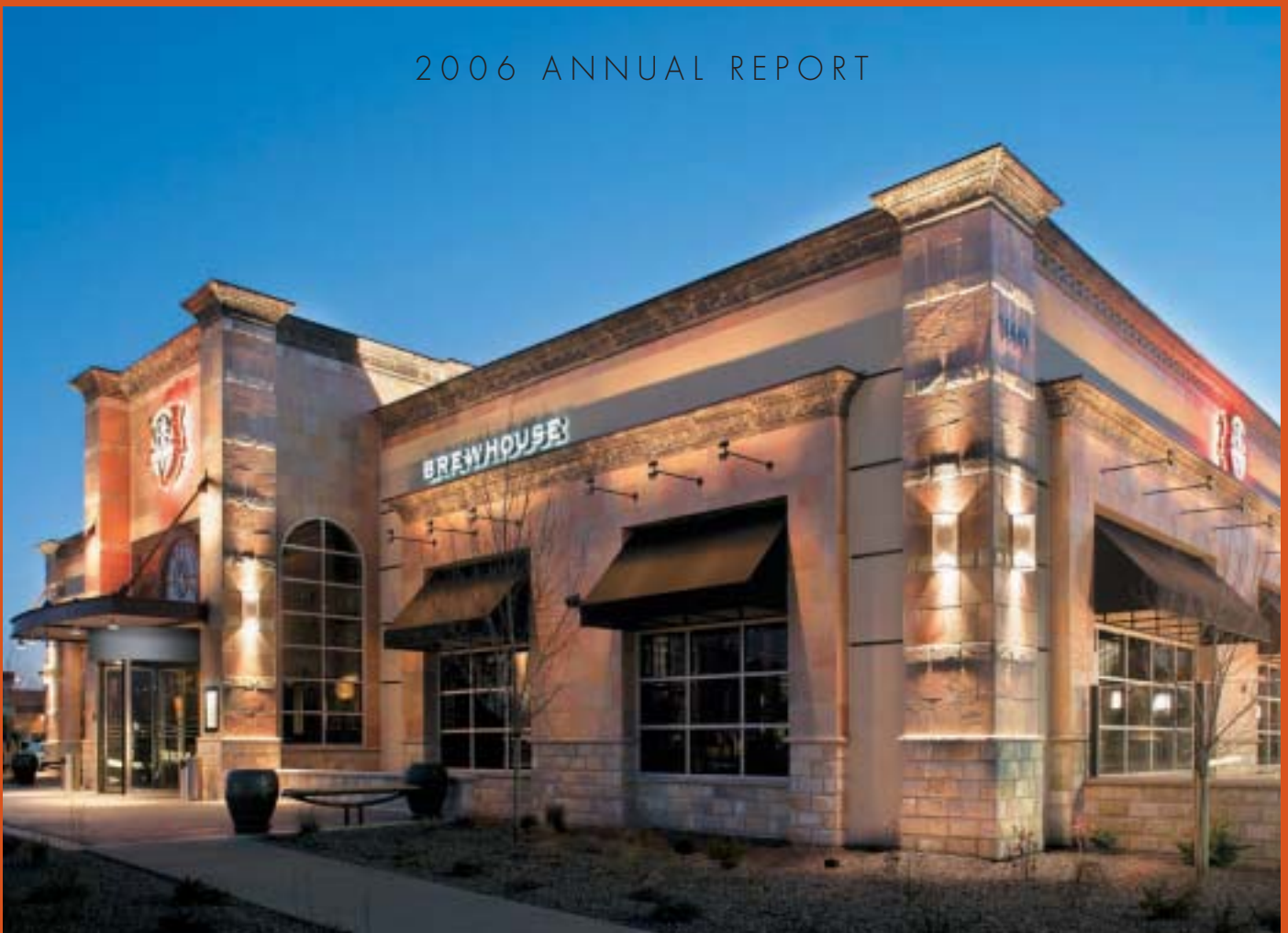


BJ'S RESTAURANTS, INC.



2006 ANNUAL REPORT





	(in thousands, except per share)	fiscal year*		
		2006	2005	2004
SELECTED	Total Revenues	\$ 238,928	\$ 178,210	\$ 129,049
FINANCIAL	Net Income	\$ 9,845	\$ 8,351	\$ 6,265
HIGHLIGHTS:	Net Income Per Share:			
	Basic	\$ 0.42	\$ 0.38	\$ 0.32
	Diluted	\$ 0.41	\$ 0.36	\$ 0.30
	Total Assets	\$ 249,849	\$ 163,958	\$ 100,866
	Shareholders' Equity	\$ 202,862	\$ 129,899	\$ 78,780

*2004 is a 53-week year. All other years consist of 52 weeks.

COMPANY PROFILE ▼ IN 1978, TWO GUYS ARMED WITH A GREAT RECIPE FOR DEEP DISH PIZZA, OPENED THE FIRST BJ'S CHICAGO PIZZERIA IN SANTA ANA, CALIFORNIA. ▼ THE PIZZA WAS AN INSTANT HIT AND AS YEARS WENT BY, NEW BJ'S RESTAURANTS WERE OPENED IN BEACH CITIES ALONG SOUTHERN CALIFORNIA'S COASTLINE. ▼ IN 1996, WITH SEVEN RESTAURANTS IN OPERATION FROM SAN DIEGO TO LOS ANGELES, THE FIRST LARGE FORMAT BJ'S RESTAURANT AND BREWERY BEGAN OPERATIONS IN BREA, CALIFORNIA. ▼ THE INTRODUCTION OF FINE, HANDCRAFTED BEER AND THE WIDE VARIETY AND GENEROUSLY PORTIONED MENU ITEMS WERE WELCOMED BY GUESTS. ▼ TODAY WE OFFER APPROXIMATELY 100 MENU ITEMS INCLUDING SPECIALTY SALADS, SOUPS, PASTA, SANDWICHES, ENTREES AND DESSERTS, INCLUDING OUR FAMOUS PIZOOKIE® DESSERT, IN A HIGH ENERGY, FULL SERVICE CASUAL DINING ENVIRONMENT. OUR RESTAURANTS OPERATE AS BJ'S RESTAURANT & BREWERY, BJ'S RESTAURANT & BREWHOUSE AND BJ'S PIZZA & GRILL. ▼ AT THE END OF FISCAL 2006, WE OWNED AND OPERATED 55 RESTAURANTS LOCATED IN CALIFORNIA, OREGON, COLORADO, ARIZONA, TEXAS AND NEVADA. ▼ WE ALSO HAVE ONE LICENSED RESTAURANT IN MAUI, HAWAII. ▼





TO OUR SHAREHOLDERS ;

FISCAL 2006 WAS A VERY PRODUCTIVE YEAR FOR OUR COMPANY ON ALMOST EVERY MEASURE. NOT ONLY DID WE OPEN 11 SUCCESSFUL NEW BJ'S RESTAURANTS AND ACHIEVE OUTSTANDING CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR,

we also accomplished several objectives that were designed to continue the transition of the BJ's concept to a "premium casual" or "casual plus" positioning in every respect, and to continue the steady transition of our Company from a "good restaurant company that is growing" to a "restaurant growth company." While we still have much work left to accomplish in those respects, we are proud of our accomplishments during the past fiscal year and the positive momentum that we carry forward from those achievements into fiscal 2007.

During fiscal 2006, our revenues increased a strong 34% to \$238.9 million, driven by an approximate 24% increase in total restaurant operating weeks, coupled with a strong 5.8% increase in comparable restaurant sales. Our net income increased approximately 18% to \$9.8 million and our earnings per share increased approximately 14% to \$0.41. During the first quarter of fiscal 2006, we adopted a new accounting pronouncement called SFAS No. 123 (Revised), "Share-Based Payment." SFAS No. 123R requires the fair value measurement of all stock-based payments to employees, including grants of stock options, and recognition of those expenses in the Company's results of operations. The results for fiscal 2005 do not include the impact of SFAS No. 123R. If the impact of SFAS No. 123R was included on a pro-forma non-GAAP basis for all of fiscal 2005, then our net income and diluted net income per share for fiscal 2006 would have increased approximately 52% and 46%, respectively.

Our outstanding financial results for 2006 were achieved in spite of one of the most challenging operating environments in general for

casual dining restaurants during the last 15 years. Higher interest rates and gasoline prices, among other things, have impacted the discretionary incomes of many consumers that visit casual dining restaurants. And, the challenging operating environment continues unabated as we enter 2007. It has been our observation over the years that the higher quality, more differentiated and more "approachable" casual dining restaurants have a better opportunity to do well in both favorable and challenging operating environments. We believe that consumers are more likely to cut back on their patronage of the more mediocre "mass market" casual dining concepts before they change their dining behaviors for the higher quality and more differentiated concepts that offer a better overall dining experience and value for the money. This continues to be our unwavering strategic direction for the BJ's concept as we move forward.

When we look back at 2006 for our business, it was a year in which we focused most of our key initiatives on strengthening BJ's ability to process an increasing amount of sales in a more productive, efficient and leverageable manner, while simultaneously improving the overall quality and differentiation of the BJ's dining experience. After careful development and testing, we provided our restaurant operators with two important technological toolsets during 2006 to help them achieve this objective: an automated kitchen display system (KDS) and a web-based automated labor scheduling and analysis program. In connection with the rollout of these toolsets, we modified certain operational systems and procedures in our restaurants to focus our restaurant operators on the delivery of "quality fast" execution. We believe these new



toolsets, coupled with the quality differentiation of the BJ's concept and other improvements that we implemented to our food, service and facilities during the year, are the principal reasons underlying the achievement of BJ's 10th consecutive year of positive comparable sales comparisons during 2006. As we move into 2007, we will continue to further strengthen our capability in this respect by implementing a theoretical food cost system and an automated front desk seating system, both of which we believe will help our restaurants become even more productive, particularly during peak meal periods.

Now that we are in a better position to correctly and consistently process all of the business being offered to us, we are ready to more aggressively drive for more sales.

All of the great consumer growth companies are sales builders, first and foremost, and that is our unwavering focus here at BJ's. As long as we have the sales, we will have the opportunity to optimize the bottom-line results of our business. By the fourth quarter of fiscal 2007, we should be ready to re-launch a more effective and productive off-premises sales program, for which we believe is currently

under-delivered at BJ's. Our off-premises sales channel is only about 5% of our total restaurant sales, and we believe that a 10% sales target for this channel is a realistic objective during the next couple of years. Other 2007 sales-building initiatives include, among other things, a small number of patio additions and enclosures; the introduction of certain "casual plus" operational and service enhancements; and the introduction of a national marketing plan that is focused on driving top-of-mind awareness and company-wide seasonal beer promotions.

Having a popular, high quality and differentiated restaurant concept with state-of-the-art operational toolsets are clear requisites to support a national expansion plan. However, there is no substitute for the correct, consistent operational execution of our concept in every detail, on every shift. While we are fortunate to have many highly qualified and motivated restaurant managers on our team, we can only grow as fast as we can recruit, develop and retain additional highly qualified restaurant managers. During 2006, we recruited 174 new restaurant managers to join our team, and in 2007 we will likely need 230-240 additional restaurant managers.

Last year, we invested additional resources in expanding the quality and depth of our restaurant manager recruitment and training programs to support our planned future growth. We also designed and rolled out a career development roadmap that is individually tailored for each restaurant manager as well as a more comprehensive recognition program. And, to help us better attract and retain the best hourly team members in our restaurants, we introduced a group health insurance program for qualified team members.

At the start of 2007, we introduced BJ's Gold Standard Stock Ownership Program (the "GSSOP"). The GSSOP is a tenure and performance-based equity incentive plan that currently consists



BJ'S SPINACH AND ARTICHOKE DIP

of restricted stock unit grants to each of our qualified restaurant general managers, executive kitchen managers, culinary training managers and area/regional directors of operations. We believe the GSSOP will significantly enhance our ability to attract and retain the very best restaurant management talent as we grow. Additionally, we believe the Company's opportunity to sustain and enhance its overall financial

performance will be improved if our restaurant operational leaders have a meaningful ownership stake in our business and think more like owners in their daily actions and behaviors.

We achieved our capacity growth goal for 2006 by opening 11 new restaurants and thereby increased our total restaurant operating weeks by approximately 24% during the year. And, we also set new opening-week sales records along the way. Our primary growth goal over the next few years is to increase our productive capacity by 20% to 25% each year as measured in total restaurant operating weeks. In order to facilitate the achievement of that goal, we plan to open as many as 13 new restaurants during 2007, of which two have already opened as of this date – in Tampa, Florida and Columbus, Ohio – representing our first restaurants in the Eastern time zone. Initial sales results for these new restaurants have been very encouraging. During the next couple of years, we currently plan to open additional restaurants in the Ohio Valley and central Florida markets. However, most of our planned growth for the next few years will be in our "home court" state of California and within our current markets in the western United States, where we still



BJ'S BUFFALO CHICKEN DEEP DISH PIZZA



BJ'S RESTAURANT & BREWHOUSE, TEMECULA, CALIFORNIA







“WOW”
I LOVE
THIS
PLACE!





have plenty of room to grow. Our new restaurant development plan will continue to be careful, disciplined and controlled.

During 2007, we also plan to take advantage of the strong economies of scale that are offered by our new brewery in Reno, Nevada that we opened in the fourth quarter of 2006. Our Reno brewery has the estimated capacity to produce as many as 15,000 barrels of beer annually, which is about three times the estimated annual productive capacity of our current large breweries in California. After we gradually ramp up the production activities of the Reno brewery during the first half of fiscal 2007, we plan to re-balance all of our internal beer production activities among our remaining internal breweries to take full advantage of the economies of scale offered by the Reno brewery, and to facilitate a meaningful reduction in the average production cost per barrel of beer to our restaurants. In addition to optimizing all of our internal brewing activities during 2007, we will continue to aggressively focus on expanded contract brewing and licensing arrangements that should provide us with the necessary flexibility to offer our unique, high quality handcrafted beer in new restaurants in certain states where legal restrictions make it difficult to sell the beer that we brew ourselves, unless we were to brew it in the restaurant locations themselves in those states. A “brewpub” beer production model does not offer many advantages in terms of product consistency

and economies of scale, compared to the “hub and spoke” and larger-scale contract brewing models.

In conclusion, BJ's achieved very solid results for fiscal 2006 in almost every key measure, in spite of the continuing challenges in the general operating environment. Thanks to the hard work of all of our restaurant operators, we continue to enjoy strong sales for both our new restaurant openings and our established restaurants. That doesn't happen by itself – it is the result of a lot of hard work and a lot of things being executed correctly in our restaurants. Having said that, we can never be satisfied with our operational execution in any aspect of our business. We can always surpass our previous best. Our leadership team remains highly confident of our ability to continue executing our national growth plan while, at the same time, executing all of our key initiatives and working hard to achieve steadily increasing leverage in every aspect of our business as we grow. That is the principal difference between a “good restaurant company that is growing” and a “restaurant growth company,” and we are committed to joining the ranks of the great growth companies in our industry. We would like to express our deepest appreciation and thanks to our loyal guests, shareholders, supplier partners and our almost 7,000 team members across the country for your confidence and support this past year. We strongly believe that the best years for BJ's are yet to come.

BJ'S LEADERSHIP TEAM

APRIL 2007



BJ's Management Team: Jerry Deitchle, Jim Farman, Ray Martin, James Drake, Chris Pinsak, Michael Ferguson, Dave Youngberg, Mel Landuyt, Owen Williams, David Oberg, Monty Madison, Rob DeLiema, Marc Weber, Dean Gerrie, Steve Mintzer, Roger Ortiz, Don Gardner Moe Robiglio, Bob Lombardo, John Allegretto, Tom Norton, Alex Puchner, Greg Lynds, Luis Ruvalcaba, Steve Demeter, Nanette McWhertor, Deb Chappell, Greg Levin, Ame Kuyper, George Perez, Lyndon Robinson, Angel Mejia, Michele Maerz, John Oliver, Lon Ledwith, Sandy Habib, Dianne Scott, Melanie Bruno-Carbone, Loren Reynoso, Rana Schirmer, Brian Pearson

BJ'S RESTAURANT & BREWERY, RENO, NEVADA



BJ'S SANTA FE SPRING ROLLS



BJ'S RESTAURANT & BREWHOUSE, ARLINGTON, TEXAS



BJ'S RESTAURANTS OPENED OR WITH SIGNED LEASES AS OF MAY 14, 2007

ARIZONA

- Chandler** - Chandler Fashion Center
- Mesa** - Superstition Springs Boulevard
- Phoenix** - Desert Ridge Market Place
- Tucson** - Oracle Road

CALIFORNIA

- Arcadia** - Huntington Drive
- Bakersfield** - Riverwalk
- Balboa** - Main Street
- Belmont Shore** - Second Street
- Brea** - Brea Mall
- Burbank** - 1st Street
- Cerritos** - 183rd Street
- Corona** - The Crossings
- Cupertino** - DeAnza Boulevard
- Elk Grove** - Laguna Point
- Folsom** - Bidwell Street
- Fresno** - Fashion Fair Regional Mall
- Glendale** - Glendale City Center; 2007*
- Huntington Beach** - Beach Boulevard
- Huntington Beach** - Main Street
- Irvine** - Irvine Market Place
- La Jolla** - Village Center
- La Mesa** - Grossmont Mall
- Laguna Beach** - Pacific Coast Highway
- Laguna Hills** - Laguna Hills Mall
- Moreno Valley** - Centerpoint Drive
- Montebello** - Montebello Town Center; 2007*

Natomas - The Promenade

- Oxnard** - Esplanade Drive
- Palmdale** - Antelope Valley Mall
- Rancho Cucamonga** - 4th Street
- Roseville** - Roseville Parkway
- San Bernardino** - Hub Shopping Center
- San Bruno** - Tanforan Shopping Center
- San Jose** - Westfield Shoppingtown Oakridge
- San Mateo** - Bridgepoint Shopping Center
- Stockton** - Stonecreek Village; 2007*
- Temecula** - Overland Center
- Vacaville** - Nut Tree Parkway
- Valencia** - McBean Parkway
- West Covina** - Eastland Center Drive
- Westlake Village** - Thousand Oaks Boulevard
- Westwood** - Broxton Avenue
- Woodland Hills** - Canoga Avenue

COLORADO

- Aurora** - Aurora Town Center
- Boulder** - Pearl Street Mall
- Westminster** - The Shops at Walnut Creek

FLORIDA

- Orlando** - Millenia Mall
- Tampa** - Pinellas Park
- Tampa** - Citrus Park; 2007*

HAWAII

- Maui**- Lahaina (Licensed)

NEVADA

- Reno** - The Summit
- Summerlin** - Canyon Point Shopping Center

OHIO

- Columbus** - Polaris Mall
- Cincinnati** - Tri-County Mall; 2008*

OKLAHOMA

- Norman** - Ed Noble Parkway
- Oklahoma City** - Quail Springs Mall; 2007*

OREGON

- Eugene** - Coburg Road
- Portland** - Center Avenue
- Portland** - Weidler Street

TEXAS

- Addison** - Belt Line Road
- Clear Lake** - Bay Area Boulevard
- East Plano** - Collin Creek Shopping Center
- El Paso** - Las Palmas
- Lewisville** - Stemmons Freeway
- McAllen** - Palms Crossing; 2007*
- South Arlington** - Arlington Highlands
- Sugar Land** - State Highway 6
- Temple** - Bird Creek Crossing; 2007*
- Willowbrook** - FM 1960 Road West

* Signed lease with an expected opening in the year noted.



C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

Paul A. Motenko

*Co-Chairman of the Board,
Vice President and Secretary
BJ's Restaurants, Inc.*

Gerald W. Deitchle

*President & CEO,
BJ's Restaurants, Inc.*

Larry D. Bouts

*Investor/Business Advisor;
Former Chairman & Chief Executive Officer
Six Flags Theme Parks*

John F. Grundhofer

*Retired; Former Chairman, Chief Executive
Officer and President of U.S. Bancorp*

Jeremiah J. Hennessy

*Co-Chairman of the Board,
BJ's Restaurants, Inc.*

Peter A. Bassi

*Retired; Former Chairman & President of
Yum! Restaurants International*

Shann M. Brassfield

President, Golden Resorts, Inc.

J. Roger King

*Retired; Former Senior Vice President,
Human Resources of PepsiCo, Inc.*

James A. Dal Pozzo

President, The Jacmar Companies

LEADERSHIP TEAM

Gerald W. Deitchle

President & CEO

Lon F. Ledwith

Senior Vice President, Restaurant Operations

Robert P. Lombardo

Vice President, Development & Construction

Christopher P. Pinsak

Regional Vice President, Restaurant Operations

John D. Allegretto

Chief Supply Chain Officer

Alexander M. Puchner

Senior Vice President, Brewing Operations

Raymond G. Martin

Vice President, Culinary Development

Michele M. Maerz

Regional Vice President, Restaurant Operations

Gregory S. Levin

Chief Financial Officer

Melanie R. Bruno-Carbone

Vice President, Marketing

Nanette McWhertor

*Vice President, Operational Support
& Restaurant Openings*

Steven M. Mintzer

Regional Vice President, Restaurant Operations

Gregory S. Lynds

Chief Development Officer

James A. Drake

Vice President, Kitchen Operations

Brian W. Pearson

Vice President, Information Services

Thomas F. Norton

Chief Human Resources Officer

Rana G. Schirmer

Vice President, Accounting & Controller

SHAREHOLDER INFORMATION

Corporate Offices

*BJ's Restaurants, Inc.
7755 Center Avenue, Suite 300
Huntington Beach, California 92647
(714) 500-2400
www.bjsrestaurants.com*

Common Stock

*The Company's common stock is traded on
the NASDAQ stock market under the symbol
"BJRI".*

Investor Relations

*Inquiries from shareholders, analysts or
prospective investors should be directed to:
Gregory S. Levin
Chief Financial Officer
(714) 500-2400 Ext. 2440
investorrelations@bjsrestaurants.com*

*Inquiries for stock transfer requirements, lost
certificates and changes to addresses should
be directed to:
U.S. Stock Transfer Corporation
1745 Gardena Avenue, 2nd Floor
Glendale, California 91204
(818) 502-1404*

Legal Counsel

*Jeffer, Mangels, Butler, & Marmaro, LLP
Los Angeles, California*

Independent Registered Public Accounting Firm

*Ernst & Young LLP
Irvine, California*

Statements contained herein that are not historical facts are forward looking statements. Important factors which could cause the Company's actual results to differ materially from those projected in, or inferred by, forward looking statements are (but are not necessarily limited to) the following: (i) the Company's ability to manage an increasing number of new restaurant openings, (ii) construction delays, (iii) labor shortages, (iv) minimum wage increases, (v) food quality and health concerns, (vi) factors that impact California, where a significant amount of our restaurants are located, (vii) restaurant and brewery industry competition, (viii) impact of certain brewery business considerations, including, without limitation, dependence upon suppliers and related hazards, (ix) consumer trends, (x) potential uninsured losses and liabilities, (xi) fluctuating commodity costs including food and energy, (xii) trademark and servicemark risks, (xiii) government regulations, (xiv) licensing costs, (xv) beer and liquor regulations, (xvi) loss of key personnel, (xvii) inability to secure acceptable sites, (xviii) limitations on insurance coverage, (xix) legal proceedings, and (xx) other general economic and regulatory conditions and requirements.



BJ'S WHITE CHOCOLATE MACADAMIA NUT PIZOOKIE

BJ'S RESTAURANTS, INC.

