

Lack of Road Opening, Lower Consumer Traffic Lead Granite City Food & Brewery to Close Rogers, Arkansas Location

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Restaurant Never Gained Traction since Opening

MINNEAPOLIS--(BUSINESS WIRE)--Granite City Food & Brewery Ltd. (Nasdaq:[GCFB - News](#)) a Modern American upscale casual restaurant chain today announced the closing of its Rogers, Arkansas location. The company has not previously closed a restaurant. The company expects the closing of the location will improve its restaurant-level EBITDA, cash flow, income and management focus. Since opening in October 2007, the restaurant has failed to generate positive cash flow and had approximately \$1.3 million of net loss at this location since its opening. Many problems have plagued the location since the opening, including a significant delay in construction of a main road from the highway directly to the restaurant location and lower overall traffic from guests now plagued by high gas prices.

"We are disappointed to be closing the Rogers location, but we feel it is the right decision as we work toward improving margins and cash flow," commented Steve Wagenheim, Granite City's CEO and President. "Granite City typically is able to open strong and grow its business through word of mouth about our food and service. With the main artery to our Rogers location closed we were never able to gain traction in the market. We were faced with having to spend a considerable amount of money to remarket the restaurant but felt that it was more prudent to focus our capital and personnel resources on those restaurants that drive our core concept. We are grateful to the customers and personnel in the Arkansas region who welcomed our concept and hope that we can one day move back into the market."

The company is working with real estate professionals to find a replacement tenant for the location. At present, the company is obligated to pay approximately \$400,000 in annual lease and interest costs related to the Rogers location.

Granite City Food & Brewery Ltd. is a Modern American upscale casual restaurant chain that operates 25 restaurants in 11 states. The menu features affordable, high quality family favorite menu items prepared from made-from-scratch recipes and served in generous portions. The sophisticated yet unpretentious restaurants, proprietary food and beverage products, attractive price points and high service standards combine for a great dining experience. Its latest restaurant opened in South Bend, Indiana in July 2008. Granite City opened its first restaurant in 1999 and expanded from its Midwestern base. Additional information about Granite City Food & Brewery can be found at the company's website (www.gcfb.net).

Certain statements made in this press release of a non-historical nature constitute "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. Such factors include, but are not limited to, changes in economic conditions, changes in consumer preferences or discretionary consumer spending, a significant change in the performance of any existing restaurants, the ability to obtain financing for, and complete construction of, additional restaurants at acceptable costs, and the risks and uncertainties described in our Current Report on Form 10-K filed with the Securities and Exchange Commission on March 10, 2008.

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Source: Granite City Food & Brewery Ltd.