

Granite City Food & Brewery Ltd. Announces Renegotiation of Terms of Bridge Debt

MINNEAPOLIS (December 22, 2009) — Granite City Food & Brewery Ltd. (NASDAQ: GCFB). By agreement dated effective December 16, 2009, Granite City Food & Brewery Ltd. and Harmony Equity Income Fund, L.L.C. and Harmony Equity Income Fund II, L.L.C. amended the March 30, 2009 Bridge Loan Agreement between the parties. The original Agreement provided for the issuance of \$1.0 million of partially convertible bridge notes and warrants which matured in April 2010 and then payable in 6 equal monthly installments. The maturity date of the current principal balance has been extended to January 1, 2011, at which time the principal amount outstanding will be payable in 12 equal monthly installments, with the final installment due on December 1, 2011. Further, the total amount of the commitment will be reduced to \$800,000 from the initial \$1.0 million commitment. Adjustments were also made to the provisions for payment of deferred and accrued interest.

Steven J. Wagenheim, Chief Executive Officer of the Company, stated: “We are pleased that we were able to amend our arrangement with the Harmony Funds, which extends until January 2011 the commencement of the pay down on the bridge notes. This change to our bridge note agreement is consistent with our overall goal of restructuring our balance sheet to provide further cushion while the economy improves.”

About Granite City

Granite City Food & Brewery Ltd. is a Modern American upscale casual restaurant chain that operates 26 restaurants in 11 states. The menu features affordable yet 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. Granite City opened its first restaurant in St. Cloud, Minnesota in 1999.

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, the risks and uncertainties described in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 19, 2009 and our Quarterly Report on Form 10-Q filed on August 14, 2009; and risks related to our ability to restructure leases, obtain rent reductions and obtain additional capital for operations; and the risk that we may be required to reduce the scale of our operations if we cannot successfully restructure our debt and leases or raise additional capital; and the risk that our stock may be delisted from the Nasdaq Stock Market if we fail to meet minimum per share bid price requirements.

Contacts: Steven J. Wagenheim
President and Chief Executive Officer
(952) 215-0678

James G. Gilbertson
Chief Financial Officer
(952) 215-0676