

FOR IMMEDIATE RELEASE

Contact:
Danny Meisenheimer
VP of Brand Management
Pizza Inn, Inc.
469-384-5000
dmeisenheimer@pihq.com



PIZZA INN, INC. REPORTS RESULTS FOR THE SECOND QUARTER OF FISCAL YEAR 2008

3.8% Domestic Chain-Wide Comparable Sales Growth and New International Master Licenses Fuel Strong Quarter

The Colony, Texas – February 5, 2008-- PIZZA INN, INC. (NASDAQ:PZZI) today reported net income of \$0.08 per share for its second fiscal quarter ended December 23, 2007 versus net income of \$0.01 per share for the same quarter in the prior fiscal year. The quarter resulted in net income of \$853,000 versus a net income of \$152,000 for the same quarter in the prior fiscal year on revenues of \$12.7 million and \$11.5 million respectively. Operating performance for the second quarter of fiscal year 2008 included the following:

- Total domestic chain-wide comparable restaurant sales increased 3.8% for the second quarter and 2.7% year-to-date compared to the comparable periods in the prior fiscal year.
- Comparable domestic buffet restaurant sales increased 5.2% for the second quarter and 4.3% year-to-date compared to the comparable periods in the prior fiscal year.
- Four new domestic franchised buffet restaurants opened
- General and administrative expenses for the second quarter decreased 36% or \$405,000 due primarily to lower payroll costs associated with reductions in headcount and lower legal fees due to the settlement of litigation in the prior fiscal year.
- Income of \$150,000 associated with the signing of master license agreement in the country of Kuwait.
- Income of \$284,000 related to the settlement of litigation.
- Interest expense decreased 100% or \$274,000 compared to the same quarter in the prior fiscal year due to the repayment of all outstanding debt in December 2006.

As of the date of this press release, the Company has repurchased approximately 604,000 shares of its common stock under the 2007 Stock Purchase Plan approved by the Board of Directors in the fourth quarter of fiscal 2007.

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Charlie Morrison, President and CEO, commented, "Our business continues to strengthen. Our same store sales growth momentum continues and reflects the investments made by our franchisees in their businesses. Our four new franchised buffet restaurants opened strong during the quarter and were a hit with customers in their markets. These openings and fewer restaurant closings contributed to positive overall domestic chain-wide sales growth for the first time in twelve quarters. We believe we have put the right team in place to restore a strong restaurant operating culture to Pizza Inn, led by our newly-appointed Vice President of Operations, Jason Daniel. Jason brings a wealth of experience to the table and is expected to ensure that we deliver the experience that Pizza Inn customers have come to expect over the past 50 years."

Certain statements in this press release, other than historical information, may be considered forward-looking statements, within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, and are subject to various risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those anticipated, estimated or expected. Among the key factors that may have a bearing on our operating results, performance or financial condition are our ability to implement our growth strategies, national, regional and local economic conditions affecting the restaurant/entertainment industry, competition within the restaurant and entertainment industries, sales cannibalization, the success of our franchise operations, negative publicity and fluctuations in results of operations, including those attributable to seasonality, government regulations, weather, commodity, insurance and labor costs.

Pizza Inn, Inc. (www.pizzainn.com) is headquartered in The Colony, Texas, along with its distribution division, Norco Restaurant Services Company. Pizza Inn franchises approximately 340 restaurants and owns one restaurant with annual and domestic and international chain-wide sales of approximately \$147 million.