

Thompson Hospitality Expands Offering to Include Popular Austin Grill Restaurants

Acquisition Will Transform Neighborhood Tex-Mex Favorite Into Nationally-Recognized Brand

Herndon, VA (October 30, 2006) -- Thompson Hospitality Corporation, one of the largest food service and restaurant companies in the United States, is pleased to announce it has expanded its offering to now include one of the Mid Atlantic region's top Tex-Mex restaurants, Austin Grills, Inc. (now Austin Grill LLC, a wholly-owned operating division of Thompson Hospitality Corp.). Under the terms of the agreement, Thompson Hospitality will acquire Austin Grill restaurants located throughout the metropolitan Washington, DC area and Baltimore. The current Austin Grill management team will remain intact under the company's president and COO, Chris Patterson.

The merger will provide Austin Grill the financial resources, corporate support and infrastructure to continue to grow its regional presence while introducing the brand on a national scale. Austin Grill will maintain the superior food quality, service and staff that Austin Grill customers have come to love and expect, and each restaurant will maintain its character and integrity for the neighborhood where it operates.

"This acquisition was the next natural step in our long term business strategy of establishing a national brand and returning to our roots in the restaurant business," said Warren M. Thompson, President and Chairman of Thompson Hospitality Corp. "Austin Grill was the natural choice, given its dedicated customer-base and potential for growth. We are delighted to be a part of this fantastic opportunity to deliver to customers the same Austin Grill they have always known and loved, only better, and to have the opportunity to introduce this popular and progressive brand to a much larger audience."

In addition to expanding its community-centric restaurant model, Thompson Hospitality and Austin Grill plan to offer "small box" quick service restaurants that can easily be incorporated into airports, college/university campuses and bustling metropolitan areas.

"We are excited about the opportunity to team with Thompson Hospitality to continue to build the Austin Grill brand while maintaining our 'un-chain' appeal, catering to the communities and neighborhoods we serve," said Chris Patterson, President and COO of Austin Grills, LLC. "For several years, we searched for a partner that believed in the unique core vision and philosophy that Austin Grill was founded on and I'm happy to say we found those qualities in Thompson."

"When we opened the first Austin Grill in Washington 18 years ago, we never expected the concept to expand across the region and become recognized nationally for not only its food and service but the commitment to the communities we serve," said Rob Wilder, the company's Founder and Chairman of the Board of Directors of the Company. "In joining forces with Thompson Hospitality, I am very excited to see the Austin Grill concept and staff, have the chance to grow and expand with such a great partner."

Thompson and Austin Grill plan to implement the restaurants' expansion plan over the next two years, with initial cosmetic changes to occur in some locations almost immediately.