



FOR IMMEDIATE RELEASE

Contact: Rick Black, 713-329-6808

## **Luby's Opens New Dining Facility at Baylor College of Medicine**

**HOUSTON, TX – August 20, 2007** – Luby's, Inc. (NYSE: LUB) today announced that it has entered into a multi-year agreement with Baylor College of Medicine to provide culinary services for its Texas Medical Center campus in Houston. Luby's worked closely with Baylor on the development and design of their new kitchen and dining facility that opened August 13, 2007.

"We are excited about this partnership and look forward to providing quality food and service to Baylor. Our culinary services initiative continues to gain traction as we work to provide food services for healthcare facilities," said Chris Pappas, President and CEO. "In addition to the Baylor College of Medicine contract, we operate six dining facilities in long-term acute facilities and soon we will be announcing additional partnerships with acute care hospitals.

"Providing culinary services at hospital facilities is a natural extension of our business and utilizes our unique restaurant skill set for cafeteria style dining as well as short order food service for customer care room delivery. This growth business presents several opportunities which include contracting our services for a negotiated time period and a management fee. We are committed to this long term initiative and look forward to working with the Baylor College of Medicine facility," said Mr. Pappas.

### **Baylor College of Medicine**

Located in Houston, Texas at the Texas Medical Center, a 1,000-acre complex housing 46 member institutions, Baylor College of Medicine (BCM) has affiliations with eight teaching hospitals, each with a national and international reputation for medical excellence. In 2007, U.S. News & World Report ranked the college 10th overall among the nation's top medical schools for research and 11th for primary care.

### **About Luby's**

Luby's operates 128 restaurants in Austin, Dallas, Houston, San Antonio, the Rio Grande Valley and other locations throughout Texas and other states. Luby's provides its customers with quality home-style food, value pricing, and outstanding customer service.

*The company wishes to caution readers that various factors could cause its actual financial and operational results to differ materially from those indicated by forward-looking statements made from time to time in news releases, reports, proxy statements, registration statements, and other written communications, as well as oral statements made from time to time by representatives of the company. Except for historical information, matters discussed in such oral and written communications are forward-looking statements that involve risks and uncertainties, including but not limited to general business conditions, the impact of competition, the success of operating initiatives, changes in the cost and supply of food and labor, the seasonality of the company's business, taxes, inflation, governmental regulations, and the availability of credit, as well as other risks and uncertainties disclosed in periodic reports on Form 10-K and Form 10-Q.*

####