

Buffets Holdings, Inc. has filed for bankruptcy protection...
let's see how CreditRiskMonitor tracked this trend!

Buffets Holdings, Inc.

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1460 Buffet Way
Eagan, MN 55121 United States

Fax: (651) 365-2356

Filed for Bankruptcy on 1/22/2008
Case #08-10141, filed in the U.S. Bankruptcy Court for the District of Delaware.

Latest Financial Statements as of 9/19/2007

Business Summary

Buffets Holdings, Inc. is a holding company whose principal operating subsidiary is Buffets, Inc. ("Buffets"). Buffets currently operates 337 restaurants in 33 states comprised of 328 buffet restaurants and nine Tahoe Joe's Famous Steakhouse® restaurants. The buffet restaurants are principally operated under the Old Country Buffet® or HomeTown Buffet® brands. Buffets also franchises 18 buffet restaurants in seven states.

Employees: 38,000 (as of 6/27/2007)

Federal Tax Id: 223754018

Credit Scores

FRISK2 Score 2 1/22/2008
Probability of default range: 14.1% - 21.0%

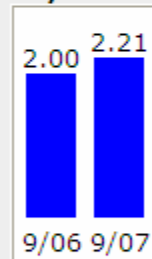
Auditor Information

Last Audit: 6/27/2007
Auditors: Deloitte & Touche, LLP (Deloitte Haskins & Sells)
Opinion: **Unqualified**

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
Moody's		Withdrawn		OFF
S&P	CCC	Negative		NM

Days Sales Outstanding



First Quarter Results

Sales for the 12 weeks ended 9/19/2007 increased 76.03% to \$376.54 million from last year's comparable period amount of \$213.90 million.

Gross profit margin increased 34.43% for the period to \$37.05 million (9.84% of revenues) from \$27.56 million (12.89% of revenues) for the same period last year.

Selling, general and administrative expenses for the period increased 56.22% to \$25.77 million compared with \$16.49 million for the same period last year.

Operating income for the period decreased 1.22% to \$9.53 million compared with operating income of \$9.65 million for the same period last year.

Net loss for the period increased 369.21% to (\$5.35) million compared with net loss of (\$1.14) million for the same period last year.

Net cash from operating activities was (\$9.52) million for the 12 week period, compared to net cash from operating activities of (\$4.67) million for last year's comparable period.

Working capital at 9/19/2007 of (\$122.85) million increased 5.59% from the prior year end's balance of (\$130.12) million, and decreased 76.44% from (\$69.62) million at the end of last year's same period.

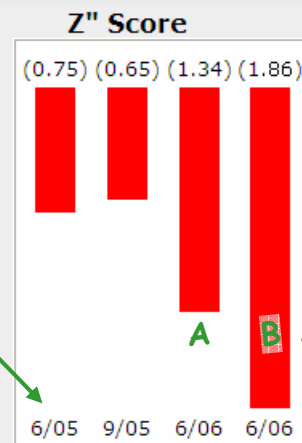
Inventories decreased by \$218.00 thousand for the year-to-date period, compared to a \$594.00 thousand

CreditRiskMonitor

(845) 230-3021
info@crmz.com

The Altman Z" was early, signaling trouble in back in 2005...

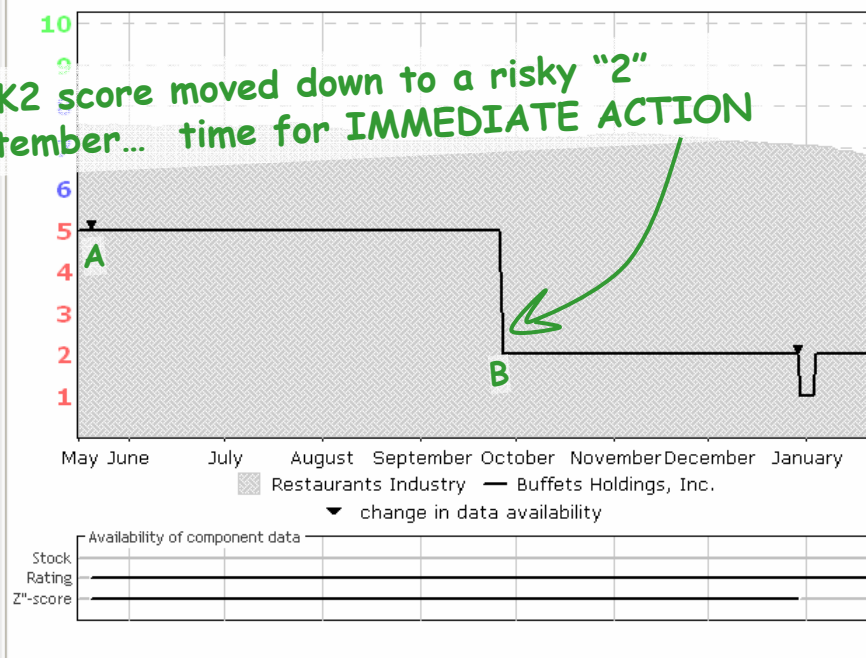
LEGEND:
 Financially sound: 2.60 or higher
 Neutral: 1.10 to 2.60
 Fiscal danger: less than 1.10



Why do some companies not show Z" or FRISK Scores?

The current FRISK2 score is 2 (probability of default* 14.1% - 21.0%), below its 9-month average and below its industry average.

The FRISK2 score moved down to a risky "2" since September... time for IMMEDIATE ACTION



Financial reports are filed periodically, but the FRISK2 is daily

FRISK2 Score - A score indicating the probability of default for a company over a 12 month horizon, based on new daily information in the CRMZ database, as calculated by a proprietary statistical model created by Dr. Camilo Gomez, and back-tested on 10,000 companies. (see **Financial Risk (FRISK2) Score**).

The FRISK2 score is reported on a 1 to 10 scale:

	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	50.0%

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... plus, look at the news alerts you would have seen...

S&P predicts Ch. 11...
Skips interest payment

Bankrupt
Two directors resign...
Forbearance...

Acquisition of Ryan's Complete

Downgrades...

Company reports:
\$1,387MM sales
(\$ 100MM) net profit
(\$ 775MM) tangible net worth
and a drop in same store sales

#	Date	Source	Headline
1	1/22/2008	Business Wire	<u>Buffets Holdings, Inc. Files for Chapter 11 Reorganization to Restructure Balance Sheet and Improve Performance</u>
2	1/17/2008	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Change in Directors or Principal Officers</u>
3	1/10/2008	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Other Events, Financial Statements and Exhibits</u>
	1/7/2008	CRM News Service	<u>Chapter 11 Filing By Buffets Is Likely, S&P Analyst Says</u>
5	1/4/2008	CRM News Service	<u>Buffets Holdings, Inc. -- updated S&P ratings available</u>
6	1/4/2008	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Other Events, Financial Statements and Exhibits</u>
7	1/3/2008	Business Wire	<u>Buffets, Inc. Elects not to Pay Interest on Senior Notes</u>
8	11/30/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</u>
9	11/30/2007	Business Wire	<u>Buffets Holdings, Inc. Announces Appointment of Steven Layt as Chief Operating Officer</u>
11	11/7/2007	CRM News Service	<u>Buffets Holdings, Inc. -- updated S&P ratings available</u>
15	11/5/2007	Business Wire	<u>Buffets Holdings, Inc. Announces Results for the First Quarter of Fiscal 2008</u>
18	9/27/2007	CRM News Service	<u>Buffets Holdings, Inc. -- updated S&P ratings available</u>
19	9/25/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Regulation FD Disclosure, Financial Statements and Exhibits</u>
21	9/25/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC.: a Form 10-K has been Filed with the SEC</u>
22	6/14/2007	CRM News Service	<u>Buffets Holdings, Inc. -- updated financials available</u>
23	5/21/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Regulation FD Disclosure, Financial Statements and Exhibits</u>
24	5/21/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC.: a Form 10-Q has been Filed with the SEC</u>
25	5/21/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition</u>
26	1/31/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Regulation FD Disclosure, Financial Statements and Exhibits</u>
29	1/29/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
30	1/16/2007	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K/A) Disclosing Completion of Acquisition or Disposition of Assets</u>
31	11/7/2006	CRM News Service	<u>Buffets Holdings, Inc. -- updated financials available</u>
32	11/7/2006	CRM News Service	<u>BUFFETS HOLDINGS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Completion of Acquisition or Disposition of Assets, Creation of a Direct Financial Obligation or an Obligation</u>
33	11/6/2006	CRM News Service	<u>BUFFETS HOLDINGS, INC.: a Form 10-Q has been Filed with the SEC</u>

... need more depth? Look at the Leverage Ratios...
ballooning debt, negative net worth, rapidly growing
short-term debt...

Leverage Ratios - Sequential Quarters (Thousands of U.S. Dollars)					
Period Ended	12 weeks 9/19/2007	6/27/2007	4/4/2007	12/13/2006	12 weeks 9/20/2006
Total debt \$	\$901,861	\$879,884	\$891,341	\$874,850	\$500,231
% change	2.50%	-1.29%	1.39%	74.69%	1.91%
Stockholders' equity \$	(\$192,724)	(\$188,539)	(\$133,624)	(\$119,227)	(\$84,291)
% change	-2.22%	-41.10%	-12.08%	-41.45%	-1.37%
Tangible net worth \$	(\$779,794)	(\$774,583)	(\$734,172)	(\$674,888)	(\$396,454)
% change	-0.67%	-5.50%	-8.78%	-70.23%	-0.29%
Total debt to tangible net worth	(1.16)	(1.14)	(1.21)	(1.30)	(1.26)
% change	-1.81%	6.44%	6.34%	-2.74%	-1.61%
Total assets \$	\$963,538	\$952,299	\$1,005,420	\$989,365	\$530,597
% change	1.18%	-5.28%	1.62%	86.46%	-1.47%
Total debt to assets ratio	0.94	0.92	0.89	0.88	0.94
% change	1.30%	4.22%	0.26%	-6.21%	3.42%
Net tangible assets \$	\$376,468	\$366,255	\$404,872	\$433,704	\$218,434
% change	2.79%	-9.54%	-6.65%	98.55%	-3.49%
Short-term debt \$	\$38,800	\$19,625	\$33,800	\$20,225	\$7,862
% change	97.71%	-41.94%	67.12%	157.25%	322.23%
Short-term debt % of total debt	4.30%	2.23%	3.79%	2.31%	1.57%
% change	92.89%	-41.18%	64.03%	47.09%	314.33%
Short-term debt % of working capital	-31.58%	-15.08%	-27.04%	-17.90%	-11.29%
% change	-109.42%	44.22%	-51.04%	-58.54%	-297.54%
Total liabilities \$	\$1,156,262	\$1,140,838	\$1,139,044	\$1,108,592	\$614,888
% change	1.35%	0.16%	2.75%	80.29%	-1.09%
Total liabilities to tangible net worth ratio	(1.48)	(1.47)	(1.55)	(1.64)	(1.55)
% change	-0.67%	5.07%	5.55%	-5.91%	1.37%
Source:	10-Q 11/5/2007				10-Q 11/5/2007