

**For Immediate Release:** October 21, 2008  
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**MANHATTAN BAGEL ANNOUNCES SIGNING  
OF THIRD DEVELOPMENT AGREEMENT IN PAST YEAR**

*Franchisee Plans to Open Popular Brand's First Restaurant  
in Denville/Morris Plains Area*

Morris Plains, NJ – October 21, 2008 – Manhattan Bagel®, the popular neighborhood bagel bakery featuring genuine New York style bagels, is pleased to announce the signing of a development agreement with Steven Raibick, Wessam Gabr and Asmaa Nowera Elshamma to open the first Manhattan Bagel restaurant in the Denville/Morris Plains, New Jersey area.

Gabr, a Parsippany, New Jersey resident and operating partner, says he plans to open the Manhattan Bagel restaurant at 976 Mt. Tabor Road in Morris Plains. Gabr, 33, brings 10 years of restaurant operations and franchise experience to the new endeavor. During the past decade, Gabr has worked his way up from line employee, store manager, district manager and general manager positions into franchise ownership with Manhattan Bagel.

“I am realizing my entrepreneurial dreams with Manhattan Bagel. The crave-able food and comfortable atmosphere of the popular Manhattan Bagel brand fit in well with the neighborhood,” said Gabr. “I am pleased to be bringing its neighborhood friendly atmosphere and variety of great tasting menu items with high-quality ingredients and quick casual service to the Denville and Morris Plains area.”

“We believe that Wessam and his partners are going to be great franchisees for the continued growth of the Manhattan Bagel brand,” said Kevin Kruse, vice president of franchise development with Manhattan Bagel. “We are pleased to see Steven, Wessam and Asmaa join the Manhattan Bagel family and are committed to supporting them and all of our franchisees, present and future, as the system continues to grow.”

The agreement is Manhattan Bagel's third signed development deal in the past year and the second in New Jersey during the same time period. Sy Appelbaum and Joshua Wang, multi-unit Manhattan Bagel operators with existing locations in Union and Westfield, New Jersey, signed a one store agreement to open a new location in Old Bridge, New Jersey.

The third recently signed development agreement is for a new location in Charlotte, North Carolina. Marcos Casarrubias, the Manhattan Bagel franchisee, has one location already operating in Charlotte.

Manhattan Bagel's innovative menu items include 15 flavors of bagels and a wide variety of cream cheeses, made-to-order breakfast and lunch sandwiches, fresh salads, hearty soups, baked goods for breakfast and afternoon snacks along with premium coffees.

Manhattan Bagel's full menu is available all day. Further, the chain's hot breakfast and lunch sandwiches, are grilled, a distinguishing characteristic in the quick casual bakery segment providing Manhattan Bagel with a competitive edge. Most chains use microwaves to heat their sandwiches.

"We are very excited about the strong interest being shown in the Manhattan Bagel brand from experienced restaurant operators," said Paul Carolan, senior vice president of franchising and licensing for Einstein Noah Restaurant Group, franchisor of the Manhattan Bagel brand. "Manhattan Bagel has been a solid performer over the last two decades and we see a bright future ahead of us with solid franchise partners on board."

For more information about franchise opportunities with Manhattan Bagel, contact Kevin Kruse at (609) 737-7266 or [kkruse@einsteinnoah.com](mailto:kkruse@einsteinnoah.com).

### **About Einstein Noah Restaurant Group**

Einstein Noah Restaurant Group Inc. is a leading company in the quick casual restaurant industry that operates and licenses locations primarily under the Einstein Bros. and Noah's New York Bagels brands and primarily franchises locations under the Manhattan Bagel brand. The company's retail system consists of approximately 600 restaurants in 36 states and the District of Columbia. It also operates a dough production facility. The company's stock is traded on the NASDAQ under the symbol BAGL. Visit [www.einsteinnoah.com](http://www.einsteinnoah.com) for additional information.

### *Forward-looking statements*

Certain statements in this press release constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "forecast," "estimate," "project," "plan to," "is designed to," "expectations," "intend," "indications," "expect," "should," "would," "believe," "target", "trend", "will be able", "is going to be", "will play" and similar expressions and all statements which are not historical facts are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which could cause the actual results or achievements to differ from those expressed or implied by such forward-looking statements. These factors include but are not limited to the following: the ability of Steven Raibick, Wessam Gabr and Asmaa Nowera Elshamma to build, open and successfully run a Manhattan Bagel location is dependent upon, among other factors, their ability to find a suitable location, reach acceptable lease terms, have adequate capital, find available contractors, obtain licenses and permits, locate and train staff appropriately and properly manage the new restaurant. These and other risks are more fully discussed in the Company's SEC filings.

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