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## **MANHATTAN BAGEL® BAKES PLANS FOR EXTENSIVE NORTHEAST EXPANSION**

### **Popular Regional Restaurant Chain Showcases New Restaurant Prototype as Part of Aggressive Growth Strategy**

**LAKEWOOD, Colo. — October 16, 2007—** Einstein Noah Restaurant Group, Inc. (NASDAQ: BAGL), a leader in the quick-casual segment of the restaurant industry, is expanding its popular Manhattan Bagel® concept in key Northeast U.S. markets through an aggressive growth plan. The plan includes opportunities for existing and new franchisees capable of multi-unit growth. Already well established with more than 70 locations in the region, the company has identified Greater Philadelphia, New Jersey, upstate New York, Long Island, and Delaware as the primary areas to increase its footprint. Further validating Manhattan Bagel's renewed strategic franchise development efforts, the organization recently signed a two-restaurant deal with VAM, LLC, for locations in Southern New Jersey.

“Manhattan Bagel has become a favorite quick casual bakery restaurant destination for diners seeking a genuine, boil and bake New York style bagel,” said Paul Carolan, senior vice president of franchising and licensing for Einstein Noah Restaurant Group. “Customer demand for Manhattan Bagel’s menu items is on the rise and the timing is right to add more locations.”

Einstein Noah Restaurant Group, the parent company, has recorded more than two years of positive store results, showing 11 straight quarters of comparative same store sales growth.

Adding more enthusiasm for the company's growth plans is Manhattan Bagel's updated prototype store design. Local residents in Red Bank and Roseland, N.J., where two Manhattan Bagel restaurants recently opened, have had a remarkable response to the new look, which includes trendy décor aimed at creating a vibrant dining environment. Expanded, more comfortable seating allows guests to feel at home. All new Manhattan Bagel franchise restaurants will be built to the new contemporary design standards which include expanded hot and cold beverage offerings, freshly made “grab & go” products and other staples of the quick casual bakery category.

And, while the company is updating the look of its restaurants, the chain continues to be innovative with its menu offerings. This fall, Manhattan Bagel is adding a touch of flare on the classics with three authentic grilled chicken sandwich options: *Pesto Chicken*, *Chicken Cheesesteak* and *Thai Chicken*.

“When guests sit down to eat Manhattan Bagel’s food, we want them to taste our innovation. We want them to experience the ‘wow factor’ with each bite,” said Gerardo Donatiello, vice president of operations for Manhattan Bagel. “Manhattan Bagel is a true neighborhood gathering place that provides the best in quick casual bakery fare.”

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.

Kevin Kruse, vice president of development for the company, said, “Manhattan Bagel is uniquely positioned for growth in the rapidly growing quick casual bakery category. We are looking for experienced restaurateurs who want to expand their portfolio with us in our core strength markets.”

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

Einstein Noah Restaurant Group, Inc. is a leading company in the quick casual restaurant industry that operates 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 under the symbol BAGL. Visit [www.einsteinnoah.com](http://www.einsteinnoah.com) for additional information.

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