

Business Review

Annual Shareholder's Meeting

June 27, 2012

NOBLE ROMAN'S, INC.

Two Foodservice Brands
Non-Traditional Foodservice Focus

BUSINESS MODEL OVERVIEW

FOODSERVICE BRANDS

✕ Noble Roman's Pizza

- + Primary nameplate
- + Pizza focused
- + Menu diversity as needed

✕ Tuscano's Italian Style Subs

- + Secondary nameplate
- + Sub focused
- + Usually a supporting role



NON-TRADITIONAL FOODSERVICE

- ✗ Providing Delicious Food Where People Want to Enjoy It
- ✗ Putting the End Consumer in Control of the Eating Occasion
- ✗ Very Often Inside Another Type of Business Whose Focus is Not Foodservice



- ✗ Not a Traditional Destination Restaurant Experience

NON-TRADITIONAL VENUES

- ✖ A Venue is Similar to a Retail Channel of Distribution
- ✖ Venues Represent Different Target Markets for Selling Franchise & Licensing Agreements
- ✖ Individual Venues Differ in Relative Opportunity Over Time
 - + Macroeconomic variables which impact the overall economy
 - + Microeconomic variables which are venue specific

EXAMPLES OF NON-TRADITIONAL VENUES

- ✕ Convenience Stores & Travel Plazas
- ✕ Grocery Delis
- ✕ Bowling & Entertainment Centers
- ✕ Parks & Attractions
- ✕ Military Bases
- ✕ Hospitals
- ✕ Universities

Strategy Considerations

CURRENT MACROECONOMIC CONDITIONS

MACROECONOMIC CONSIDERATIONS

✗ Recessionary Aftermath & Slow Recovery

+ Limited Access to Traditional Financing

- ✗ Bank Lending
- ✗ Equipment Leasing
- ✗ Small Business Finance

✗ Cautionary Climate

- + By business decision makers
- + By individual consumers

GLOBAL ECONOMICS

✖ U.S. GDP Growth

- + 1st Qtr 2012 Revised Down to 1.9% Growth
- + Federal Reserve Estimates Overall 2012 Growth at 1.9% to 2.4%

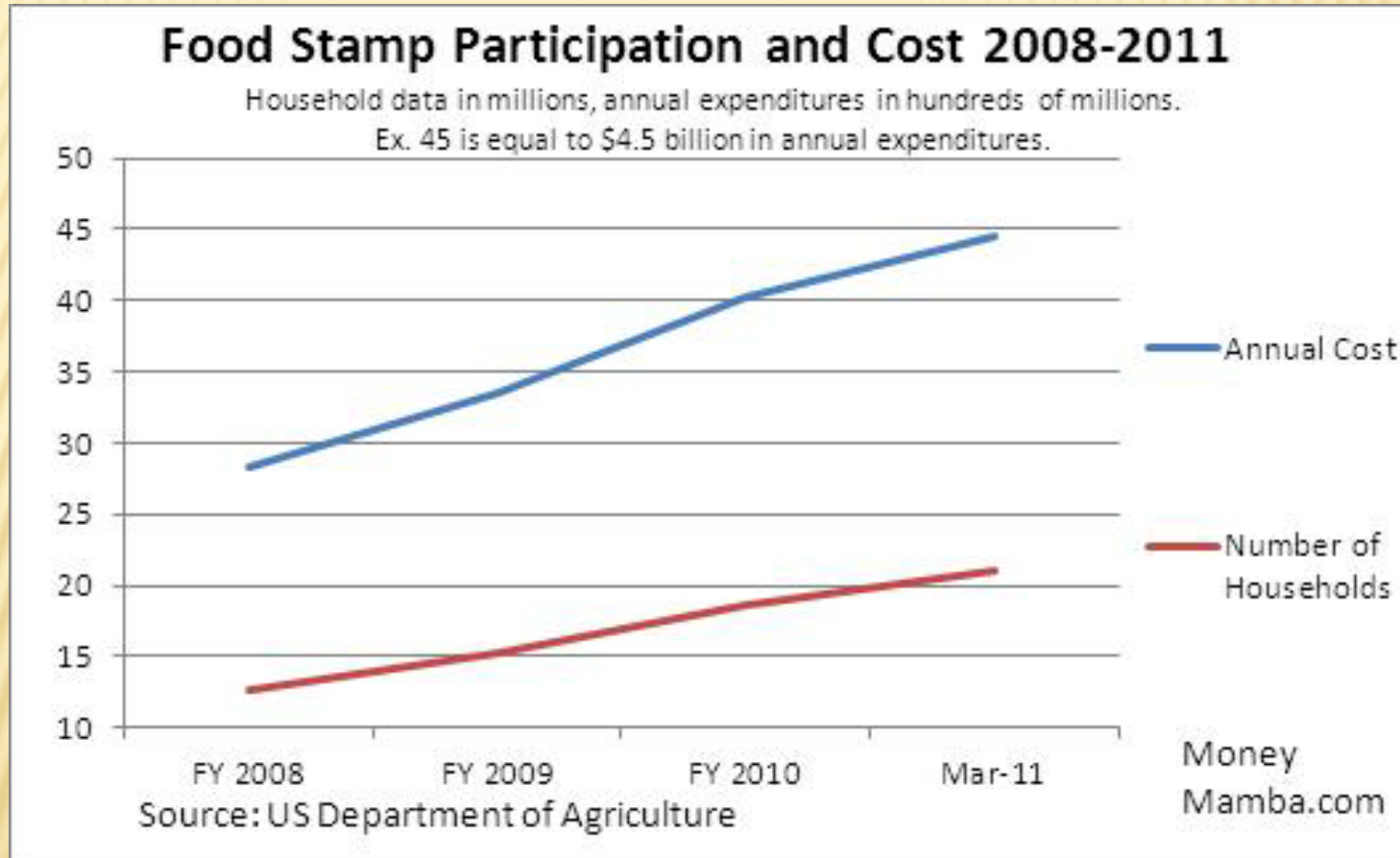
✖ European Union Growth

- + 1st Qtr 2012 Stated to be (.1%) Contraction
- + Overall 2012 Estimated to be (.3%) Contraction

✖ Global Uncertainties

- + Greece, Spain, Portugal, Ireland et al
- + International Banking Stability

FOOD STAMP GROWTH

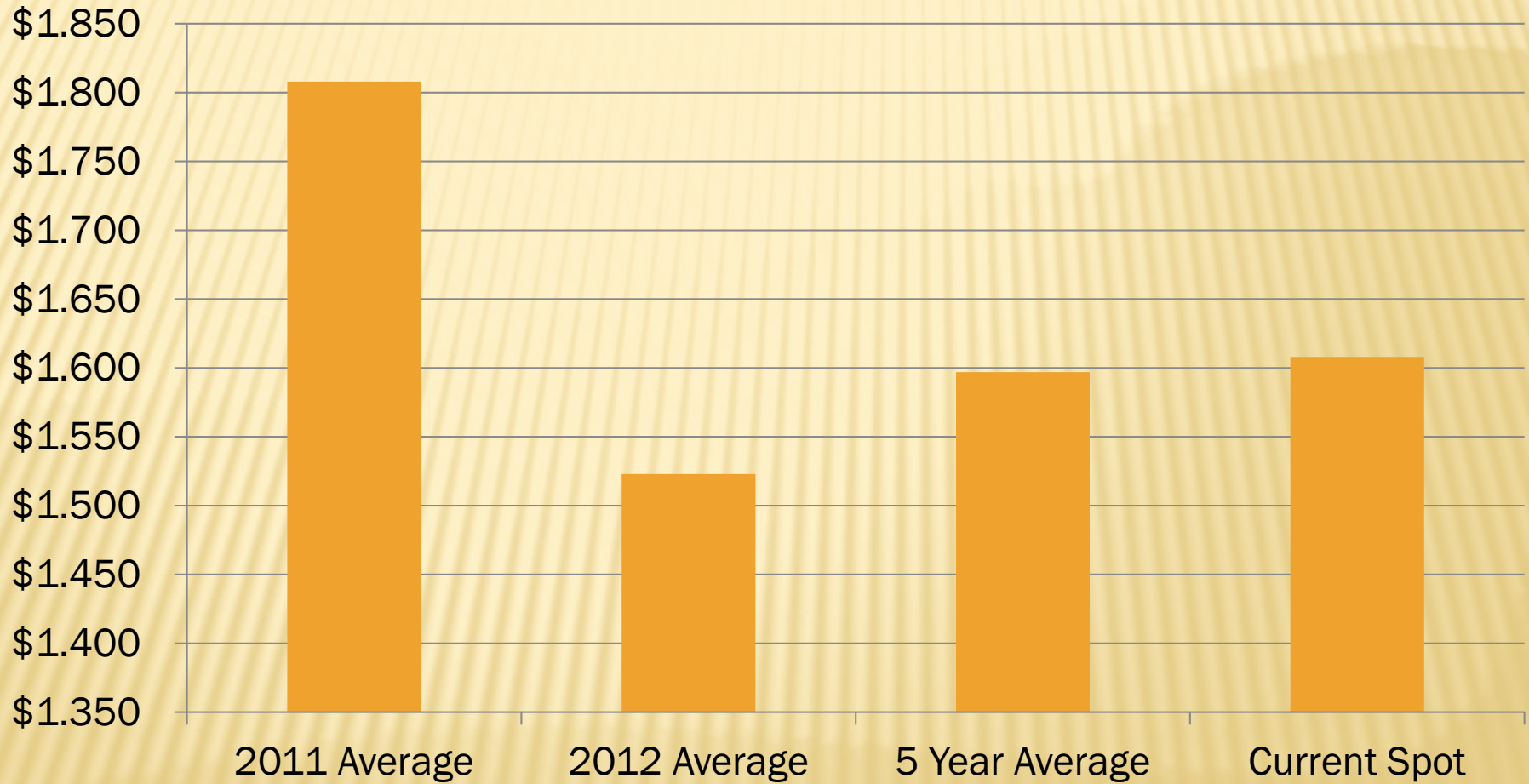


**Approximately 1 in 7 Americans or 14% of the Population
Receives Food Stamp Assistance**

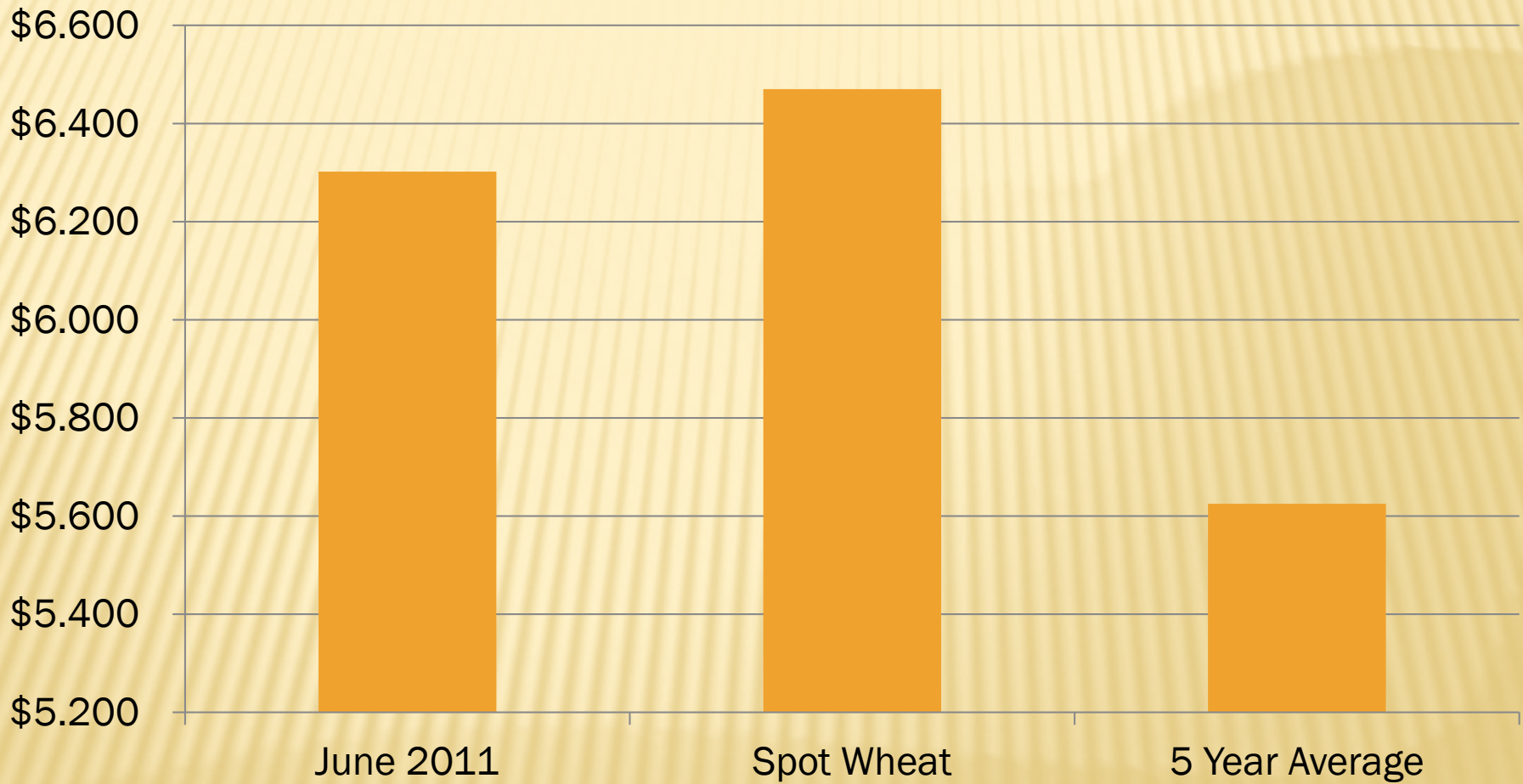
COMMODITIES

- ✖ Agriculture & Energy Related Commodities were Almost Universally High in 2011
- ✖ So far in 2012
 - + Some Agricultural commodities have decreased
 - ✖ Cheese prices have reduced to near long-term average
 - ✖ But corn is down and wheat is up
 - + Petroleum has spiked then retreated

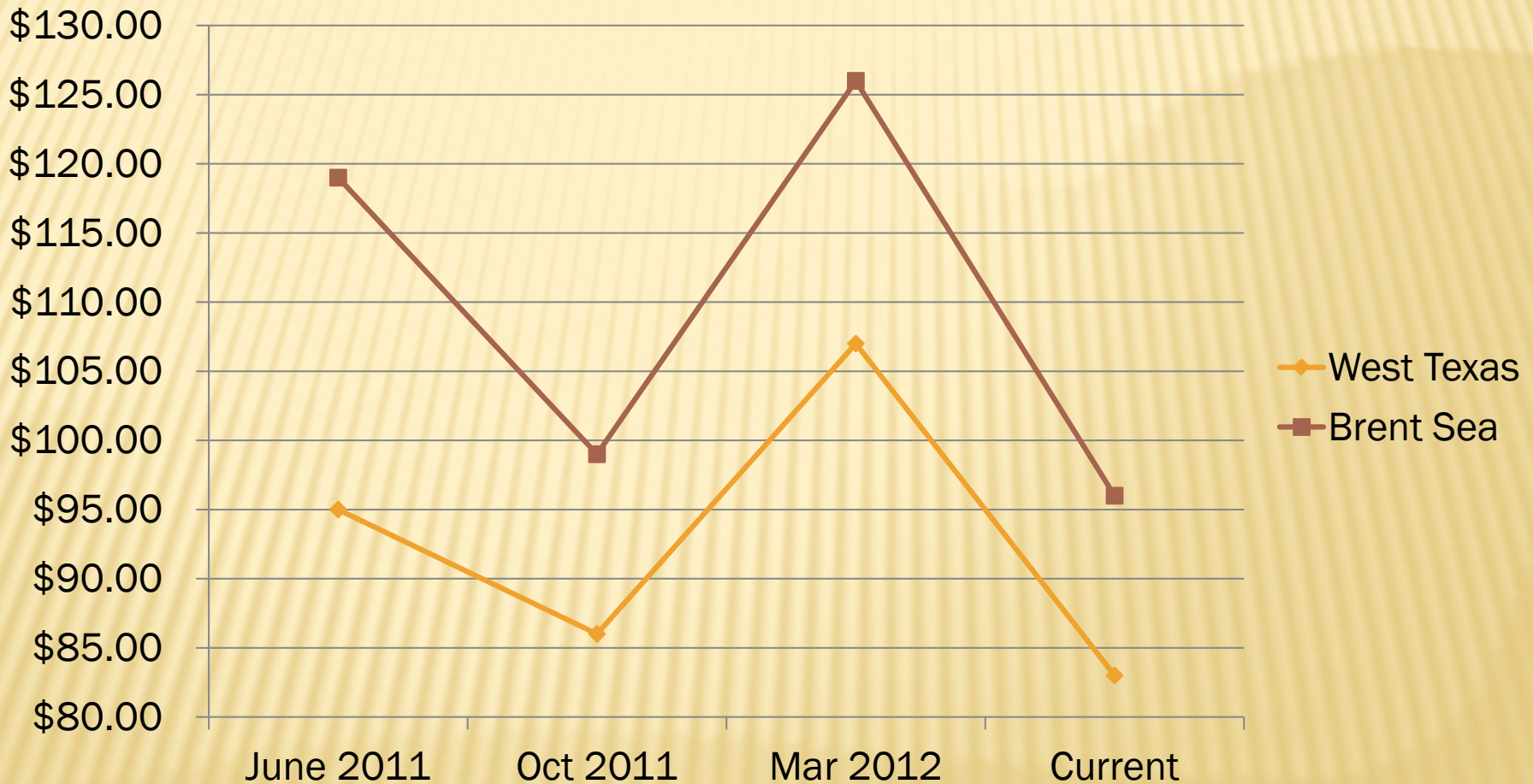
CHEESE PRICES (BLOCK CHEDDAR/LB)



WHEAT PRICES (SPOT PRICE/BUSHEL)



CRUDE OIL PRICES (SPOT PRICE PER BARREL)



Dec 2008: West Texas \$40, Brent Sea \$42

VOLATILITY IS THE GREATER ISSUE

- ✖ Convenience store operators are more concerned with large price swings than the actual price itself
- ✖ Imagine the mood of an operator if they filled 50,000 gallons of underground tanks with \$3.80 gas and then prices suddenly drop to \$3.50 . . .

MARKET CONCLUSIONS

- ✗ Decision Makers Still Exercising Great Caution
- ✗ World-wide Economy Still Fragile
- ✗ Commodities Still High and Somewhat Volatile

Better Established Companies Have Access to
Some Cash for Revenue Growth Opportunities



Consumers Are Still Seeking Good, Fresh
Products with Price-Value Perception

Increasing Revenues
Controlling Costs

BUSINESS STRATEGY EXECUTION

BENEFIT OF WEAK ECONOMY

- ✖ Low Interest Rate Environment
- ✖ Banks Vying for Strong Business Models with Safe Cash Flows

NRI DEBT REFINANCING

- ✖ Debt has been reduced to \$4.9m
- ✖ Entered into a credit agreement with BMO Harris Bank N.A. on May 15, 2012
- ✖ 48 month term
- ✖ LIBOR + 4%, Which Currently Totals 4.25%
- ✖ Eliminated balloon payment due Wells Fargo Bank in October, 2012
- ✖ Lowered NRI's overall effective interest rate from about 7-8% to 4.25%
- ✖ No Prepayment Penalty – Company Will Use Excess Cash Flow to Eliminate Debt as Soon as Possible

VENUE FOCUS REMAINS SAME AS 2011

- ✕ Revenue Building Focusing on:
 - + Foodservice franchising in convenience stores
 - ✕ Especially medium sized chains with professional organizations and better access to capital
 - + Take-N-Bake licensing in grocery delis
 - ✕ With an emphasis on growth through partnerships with grocery distributors across the country

NON-TRADITIONAL UNIT AGREEMENTS

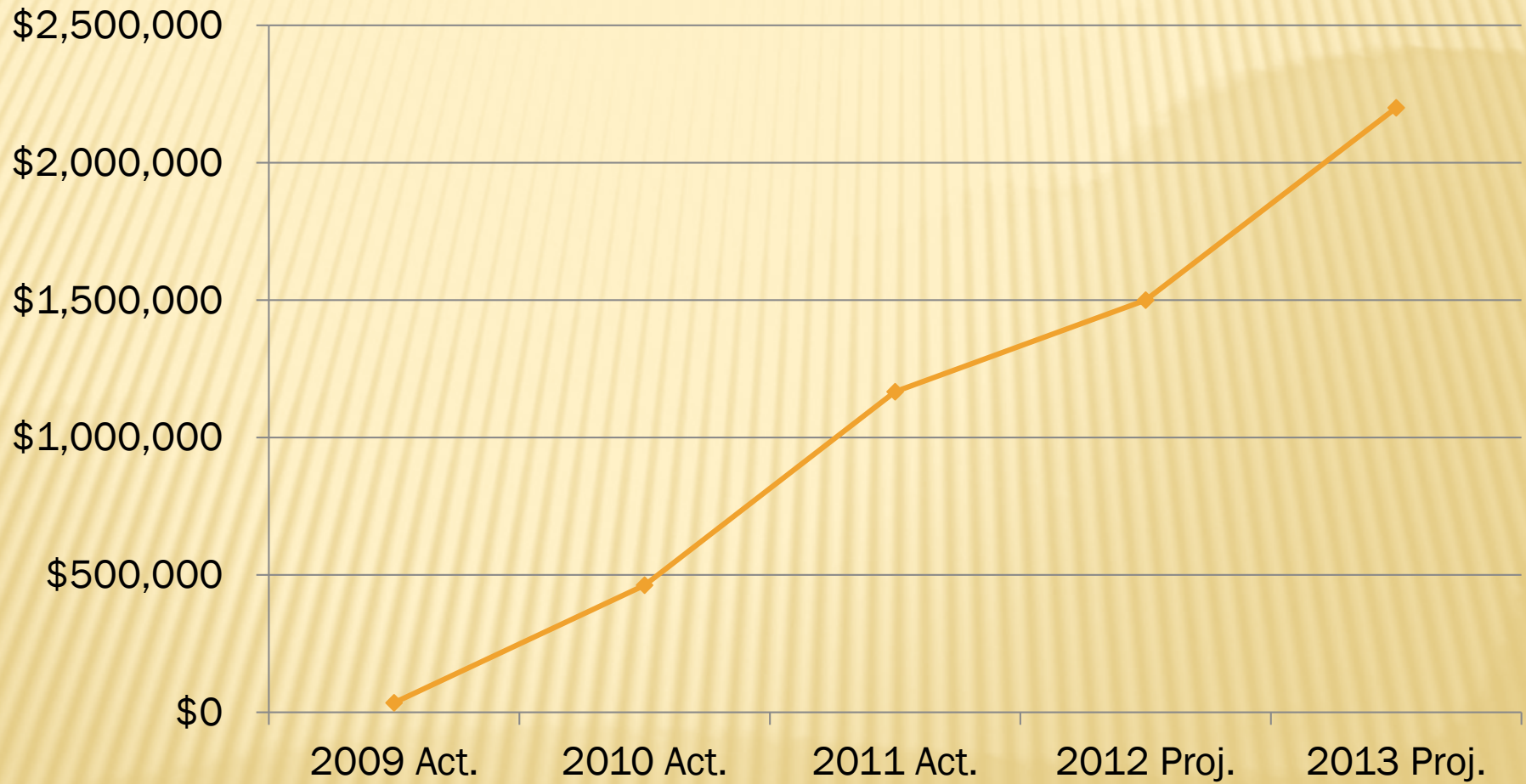
Company Name	Signed Prior	Signed in 2012	Total in Chain
Gateway Triangle Corp	2	2	30
Costcutter Nottley Dam	0	1	1
Bill Dover	0	1	10
Unified Grocers	0	1	1
The Pantry	0	1	1,650
Huck's	0	10	112
Fort Belvoir	1	1	2
E.J. Goal Mind	0	1	1
Bimor Station	0	1	10
Magnolia Foods	1	2	12
Markham Food Mart	0	1	100
Dillon & Sons	2	1	6
Total	6	23	1,935

GROCERY TAKE-N-BAKE LOCATIONS

Total Development as of June 20, 2012

Number of Signed Licensing Agreements	1,106
Number of Locations that Have Opened	915

GROCERY TAKE-N-BAKE REVENUE



CONTROLLING COSTS

- ✖ Growth Requires Minimal Increases in Field Staffing Only
- ✖ Keeping Tight Control On Overhead
 - + Spending in one area necessitates cuts in another
- ✖ Increases in Trade Show & Travel Expenses:
 - + Part of the revenue generating strategy in target venues
 - + Diversity and number of new unit openings

TRADE SHOW PRODUCTIVITY

- ✖ Last Grocery Distributor Food Show
 - + 10 Signed Agreements While On Site
 - + Prospects Representing An Additional 51 Locations
- ✖ Last Grocery Industry Trade Show
 - + Leads for 30 Chains Representing 3,134 Units
 - + Leads for 6 New Grocery Distributors

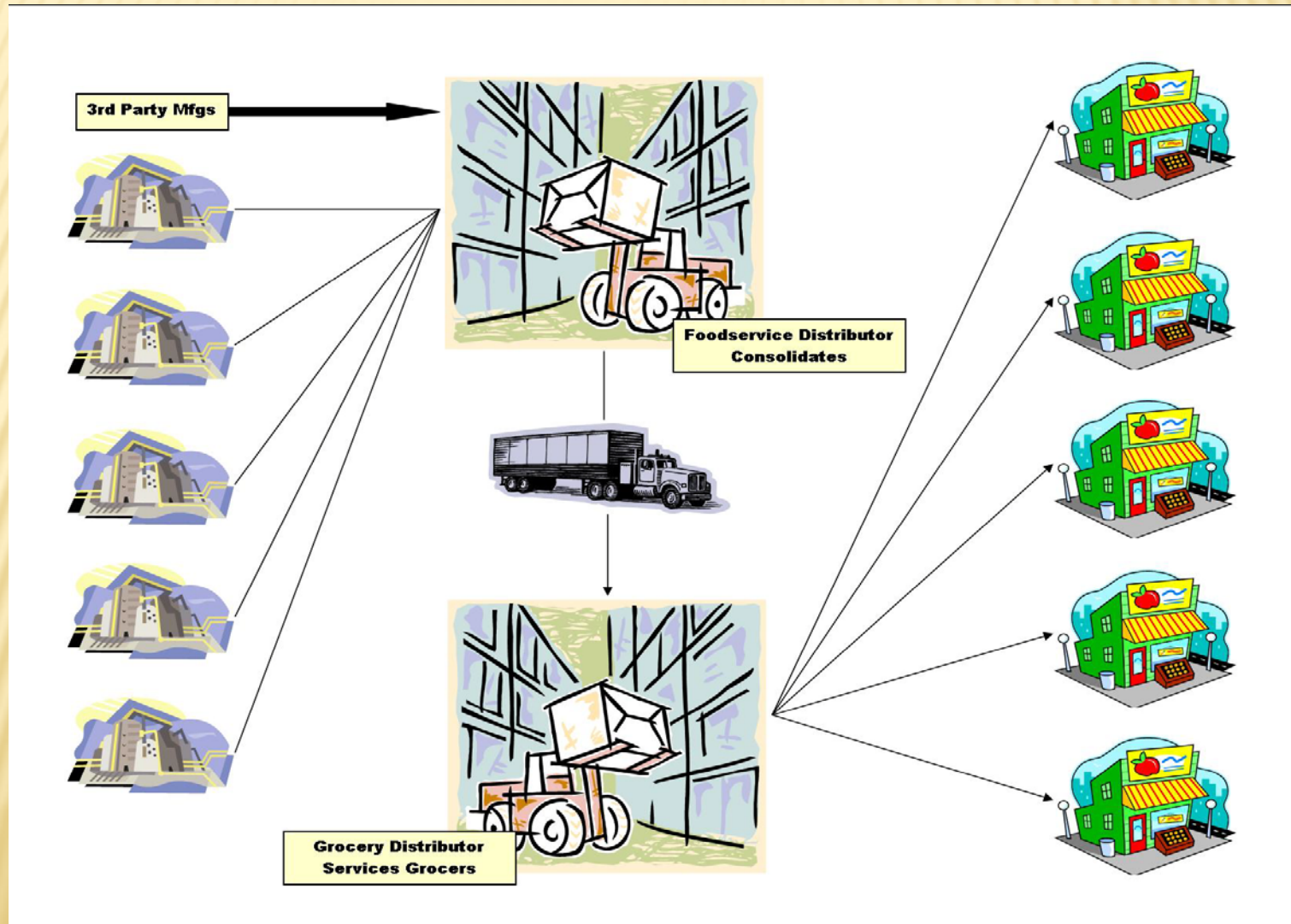
Target Market
Economic Flow

GROCERY TAKE-N-BAKE VENUE

NOBLE ROMAN'S LICENSING EFFORTS

- ✖ Develop Distribution Agreements with Grocery Distributors
- ✖ Sign Licensing Agreements with Grocery Distributor Customers
- ✖ Service Grocery Distributors Through Noble Roman's Foodservice Distributors
 - + Inventory Consolidators

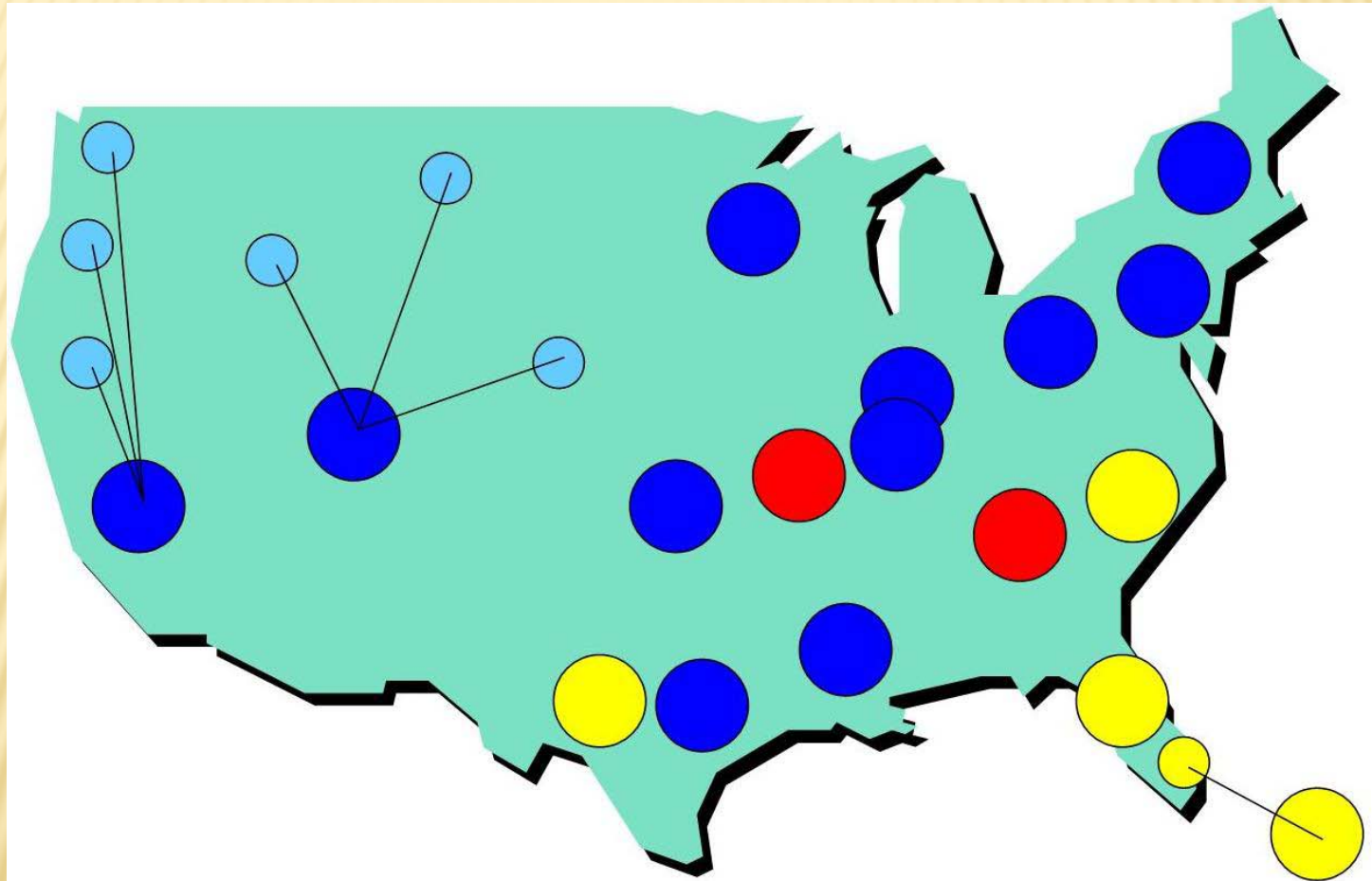
HOW GROCERY DISTRIBUTORS ARE SUPPLIED



ADVANTAGES OF GROCERY DISTRIBUTORS

- ✘ Gives Our Program Instant Credibility with Their Customers/Members
- ✘ Allows Noble Roman's Access to Their Customer/Member Database for Marketing
- ✘ Permits Noble Roman's to Present at Distributor Food Shows
- ✘ Provides Additional Support Through Inside Sales Staff
- ✘ Allows Noble Roman's Products to Piggy-Back on Existing Business for Distribution Minimums

GROCERY DISTRIBUTORS



Currently Active



Signed, Not
Yet Stocked

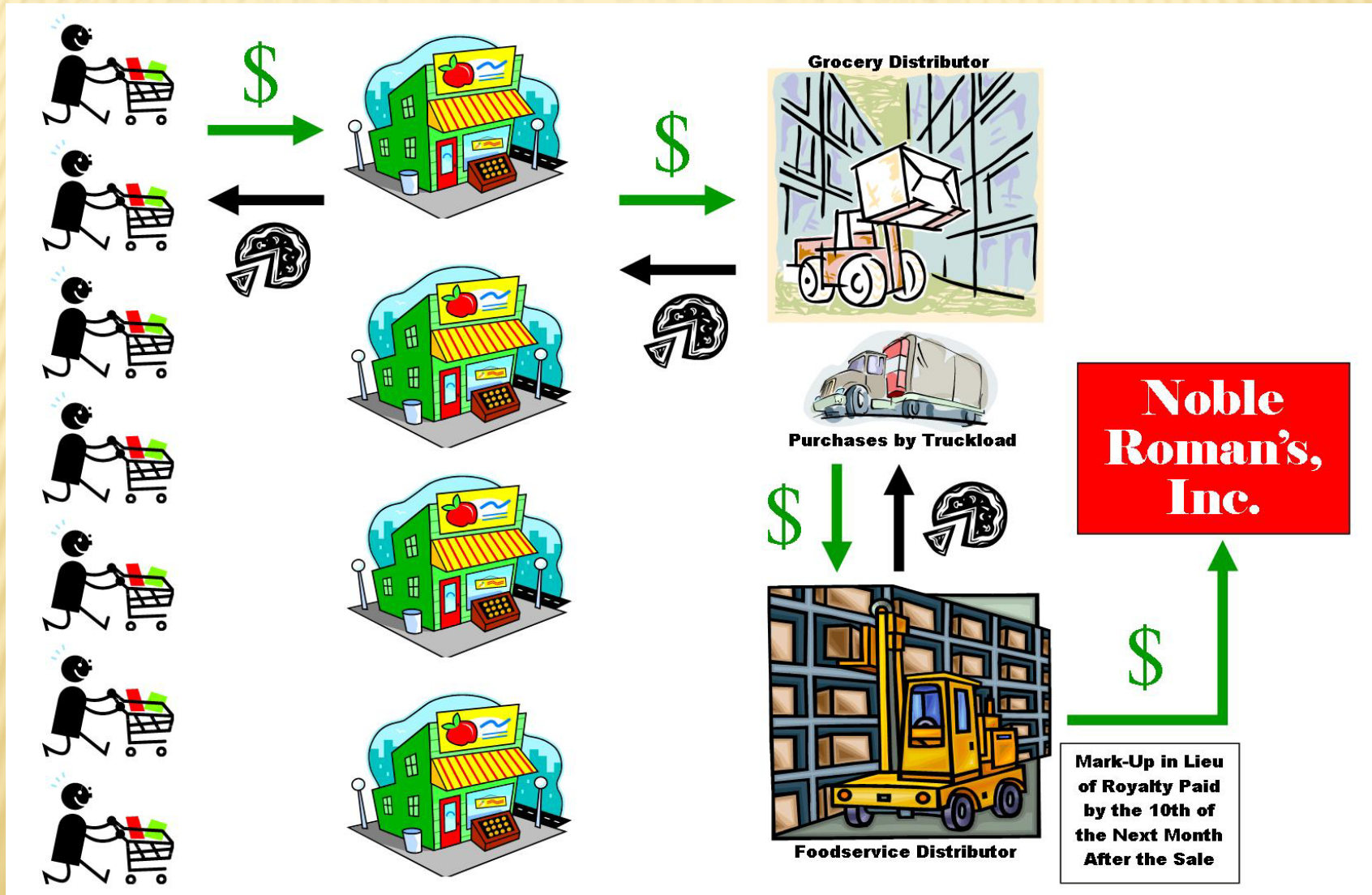


Current Prospect

REVENUE STREAM FROM GROCERY TNB

- ✖ Each Pizza Sold Represents Approximately \$1.16 per Pizza in Revenue to NRI
- ✖ However, Revenue Does Not Flow Directly From the Sale of Individual Pizzas
 - + Income flows from sales of our consolidators to grocery distributors
 - + Consolidators pay NRI once per month

TAKE-N-BAKE REVENUE FLOW



UNIQUE GROCERY TAKE-N-BAKE FACTORS

- ✘ Still a new market with relative inexperience
- ✘ Difficult to engage the end retailer with helpful data collection
- ✘ Retailers do narrow/expand, drop/add the program over time
- ✘ Retailers adjust space seasonally and around major holidays
- ✘ Once well established with customers, retailers are pressured to maintain the program

Non-Traditional Convenience Store
Grocery Take-N-Bake

EXAMPLES OF UNITS

HUCK'S LOCATION - EVANSVILLE, IN





Huck's – Evansville, IN

GROCERY TNB - HEBER CITY, UT





Heber City, UT



GROCERY TNB - HOUSTON, TX



Strategic Use of the Merchandising Package
Is Helpful for Program ID



TAMAROA, IL



Cross-Marketing
in the Frozen Pizza Aisle



1 Example: Stand-Alone Take-n-Bake

WHAT'S COOKING IN R&D

EXTRAPOLATION REQUESTS FROM TNB

- ✖ Some Grocery Operators Have Been Requesting the Flexibility to Top to Order
 - + Using all the traditional pizzeria ingredients
- ✖ Some Grocery Operators Have Been Requesting the Flexibility to Locate Independently of the Grocery
- ✖ We are Always Looking for Ways to Increase Revenues
 - + Especially in ways that leverage current products, systems and distribution

EXTENDED TAKE-N-BAKE DEVELOPMENT

- ✖ We Have Already Gone Through the Time & Effort to Develop Take-N-Bake Make Charts and Operational Systems for “Live Topping”
- ✖ The Natural Thought . . . How Else Can This Work be Leveraged to Further Increase Revenues?

STAND-ALONE TAKE-N-BAKE OPERATIONS

- ✖ There is Currently Only 1 National Company Competing in this Space:
 - + Papa Murphy's®
- ✖ There are a Few Smaller, Regional Players
- ✖ There are Very Few Local, Mom & Pop Players

PAPA MURPHY'S® FACTS

- ✖ 2011 System-Wide Sales Said to be \$702 mil
- ✖ 2011 Sales Were Reportedly Up 10%, with Same Store Sales Up 5%
- ✖ Had 1,300 Units in Operation at the End of 2011
- ✖ Reported an Average Per-Unit Volume in 2009 of \$560,171

Sources: Papa Murphy's International, LLC Franchise Disclosure Document dated May 2010; papamurphys.com, press release of 2/13/12.

FOOD STAMP ELIGIBILITY

- ✖ Papa Murphy's Locations are Able to Accept EBT (Food Stamp) Payments in Most Locations
- ✖ Estimates Say that Individual Papa Murphy's Locations Bring at Least 10% to as Much as 25% of Their Sales in EBT*
- ✖ Represents a Growing Sales Opportunity Not Available for Prepared, Traditional Restaurant Visits

*Source: moneymomba.com; PMQ Pizza Magazine.

PROTOTYPE CONCEPT



PROTOTYPE EXTERIOR ELEVATION



PROTOTYPE MENU OFFERING

We Make It Fresh...You Bake It Hot!

Traditional Pizza

Medium **\$9** | Large **\$13**

Deep-Dish Sicilian

Large **\$13**

Any Way You Want It!

Additional Pizzas \$5 each
Medium Traditional • Any Way You Want It!

Sauces Traditional Tomato, Parmesan White, Tangy BBQ

Toppings Pepperoni, Sausage, Canadian Bacon, Bacon, Fajita Chicken, Beef, Ham, Green Pepper, Mushroom, Red Pepper, Banana Pepper, Jalapeno Pepper, Onion, Pineapple, Black Olive, Green Olive, Tomato Slices, Spinach, Artichoke Hearts

X-Cheese \$2 Mozzarella & Muenster, Cheddar, Feta

Simply Classic! Cheese & 1-Top Pizzas

Traditional Med. **\$7** | Lg. **\$11** Deep-Dish Sicilian Lg. **\$11**

Our Favorites

Bell Pepper Chicken

Fajita Chicken, Red Bell Pepper, Minced Garlic

Big Daddy BBQ

Sausage, Bacon, Beef and 3 Cheeses & Tangy BBQ Sauce

Hawaiian

Canadian Bacon, Ham, Pineapple

Hoppin' Jalapeño

Italian Sausage, Spicy Jalapeño, Onion, Cheddar Cheese

Spiced Tomato

Sliced Tomato, Basil, Garlic

BBQ Chicken

Grilled Fajita Chicken, Cheddar Cheese & Tangy BBQ Sauce

Tuscan Deli

Ham, Bacon, Black Olives, Green Olives

Greek Delight

Chicken, Spinach, Artichoke Hearts, Feta Cheese, Parmesan White Sauce

fresh PZA
Noble Roman's Take-n-Bake

Famous Breadsticks

6 Sticks **\$4**

Cheesy Stix \$8

7" Pizza Minis \$5

Any Way You Want It!

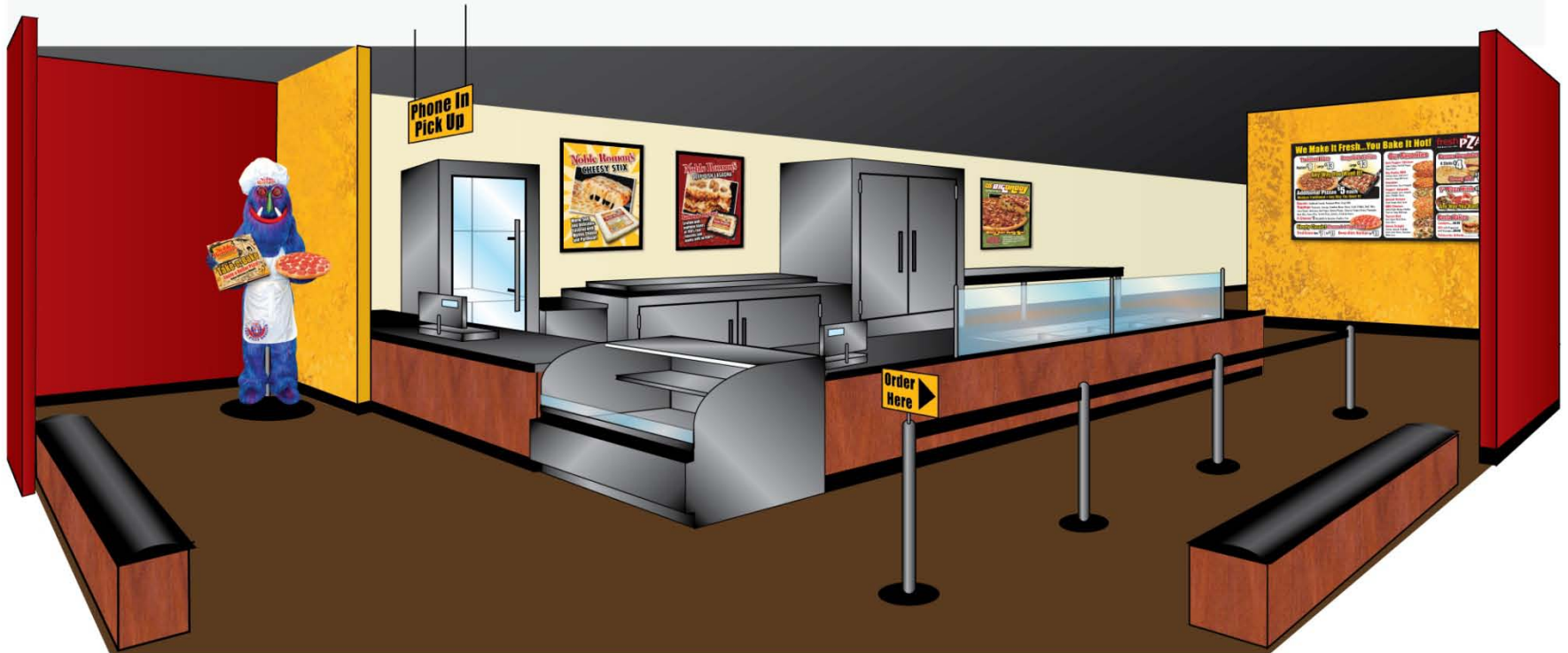
Pasta Bakes

Lasagna.....**\$8.99**

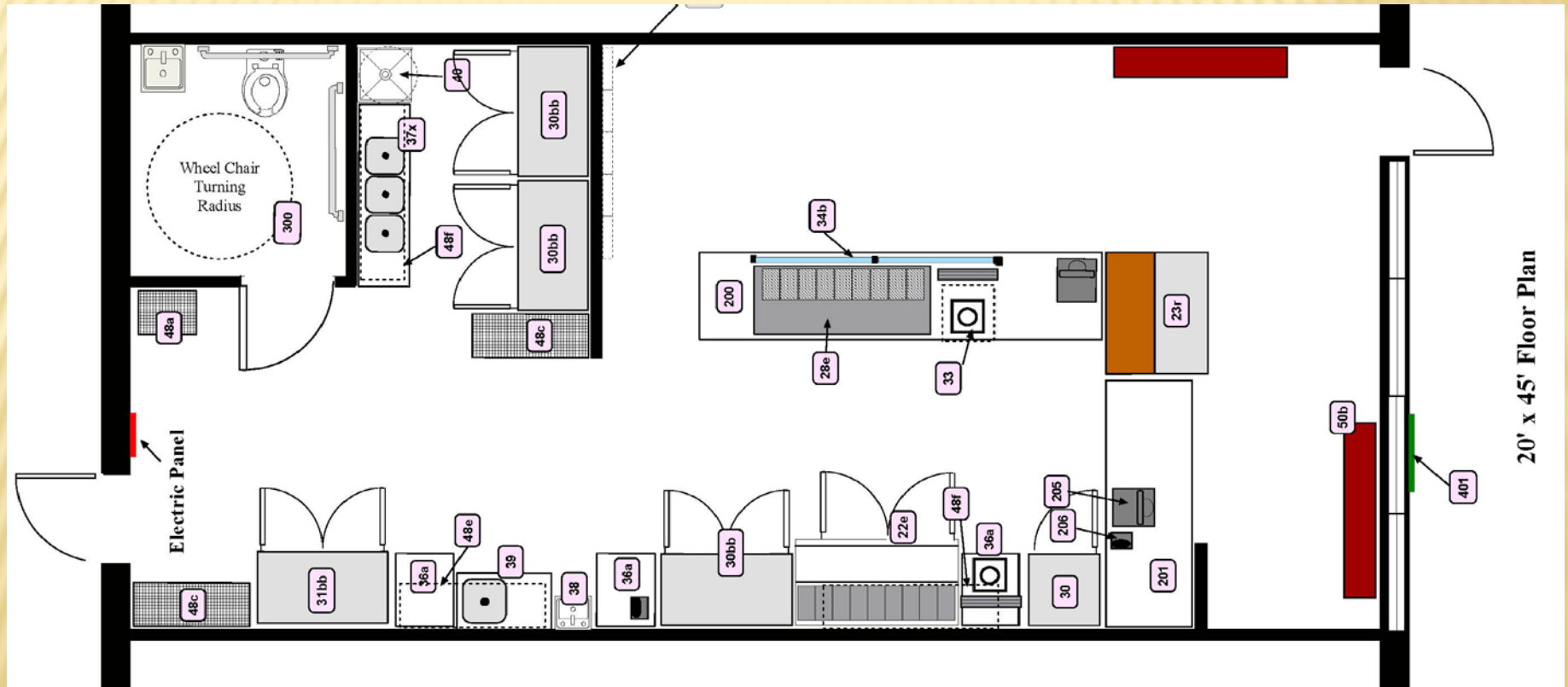
Ziti with Pepperoni and Sausage.....**\$8.99**

Fettuccine Alfredo.....**\$8.99**

PROTOTYPE INTERIOR ELEVATION



PROTOTYPE INTERIOR LAYOUT



ESTIMATED PROTOTYPE INITIAL INVESTMENT

Franchise Fee	\$15,000
Equipment & Restaurant Wares	\$38,500 - \$42,500
Service Counters	\$4,000 - \$5,000
Signage & Décor	\$8,000 - \$10,000
Construction & Build-Out	\$47,500 - \$67,500
(Less: Landlord Improvement Allowance)	(\$0 - \$30,000)
Estimated Initial Investment	\$83,000 - \$140,000

This chart describes preliminary estimated costs for completing a 900-1,200 sqft retail strip center space; it does not include such costs as initial operating cash, inventory, supplies, training, marketing materials, etc.

ESTIMATED PROTOTYPE ECONOMICS

Mid-Range Weekly Gross Sales	\$8,000 - \$10,000
Annualized Gross Sales	\$416,000 - \$520,000
Cost of Goods Sold & Discounts	38% of Gross Sales
Gross Margin	62% of Gross Sales
Operating Expenses	42% of Gross Sales
Estimated Operating Income (before Owner Salary)	20% of Gross Sales

Preliminary estimates only. Reflects estimated cost structure for central Indiana, commodities at long-term averages, owner/operator contributing at least 40 hours per week in operations, etc. Estimates are derived from professional industry-general experience, but with no actual operating history – this is a conceptual prototype.

PROTOTYPE STAGES ONLY

- ✖ Development of the idea has taken place over the last 12 months or so
- ✖ An existing Noble Roman's Non-Traditional Franchisee who was an early adopter of TNB is committed to opening the first prototype
- ✖ First prototype location will be located in the Plainfield, IN market
- ✖ No growth from this prototype concept has been included in any estimates or projections of future results

ADVANTAGES OF PROTOTYPE CONCEPT

- ✖ Non-Traditional Take-N-Bake Space has Far Fewer Competitors than Traditional QSR
- ✖ Piggy-Backs on Existing Product, Procedures and Distribution
- ✖ Very Simple & Focused Operation
- ✖ Appears to have Attractive Start-Up and Operating Economics
- ✖ Utilizes a Franchise Agreement
 - + Franchise Fee of \$15,000, Royalty of 7%, 10-Year Term
- ✖ Early Indications are that it has 'Excitement Factor'

CURRENT STATUS OF PROTOTYPE

- ✖ Not Occupying Sales Efforts
- ✖ Being Managed Purely as an R&D, Operational & Franchise Services Project
- ✖ May Quickly Expand Prototype Testing to Additional Interested Parties
- ✖ Will Monitor Results Before Making a Commitment to General Expansion

ON-GOING PRODUCT R&D

- ✖ Always Have a Pipeline of Projects
 - + Using Retail Cheesy Stix in Non-Traditional Locations
 - + New Chicken Dippers – Boneless Chicken to Offset Cost Issue with Chicken Wings
 - + Spicy Meatballs & Sauce – Utilizes Existing Ingredients in an Appealing Way
 - + Experimenting with Flatbread Pizza – Ground Up R&D on a Totally New Item

Non-Traditional & Grocery Take-n-Bake Prospect Pipelines Expanding
Grocery Take-n-Bake Experience Continuing to Mature
General Macroeconomics are Still Concerning
Stand-Alone Take-n-Bake Looks Promising as Potential Revenue Enhancer

CONCLUDING REMARKS

End of Presentation

NOBLE ROMAN'S, INC.

The statements contained in this presentation concerning the company's future revenues, profitability, financial resources, market demand and product development are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) relating to the company that are based on the beliefs of the management of the company, as well as assumptions and estimates made by and information currently available to the company's management. The company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the company's operations and business environment, including, but not limited to, market acceptance of current or future products and brands, competitive factors and pricing pressures, the current litigation with certain former traditional franchisees, non-renewal of franchise agreements, shifts in market demand, general economic conditions and other factors including, but not limited to, changes in demand for the company's products, franchises or licenses, the success or failure of individual franchisees and licensees, and changes in prices or supplies of food ingredients and labor as well. In addition, the company has no previous experience selling its products through retail channels and there can be no assurance that grocers will continue to stock them or that customers will continue to buy them. Should one or more of these risks or uncertainties materialize, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The company undertakes no obligations to update the information in this presentation for subsequent events.

INVESTOR RELATIONS

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NOBLE ROMAN'S, INC.
