

NEWS BULLETIN

RE: NOBLE ROMAN'S, INC.

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Noble Roman's Delivers Continued Growth, Profitability for Third Quarter 2013

45 Stand-Alone Take-n-Bake Franchises Signed; 16 Have Been Opened with 29 Locations Under Development; Grocery Take-n-Bake Program Continues to Expand with Approximately 1,725 License Agreements; 41 New Non-Traditional Franchise Agreements Signed Thus Far in 2013

(Indianapolis, Indiana) – November 7, 2013 -- Noble Roman's, Inc. (OTC/BB: NROM), the Indianapolis based franchisor and licensor of Noble Roman's Pizza and Tuscano's Italian Style Subs, today announced results for the quarterly period ended September 30, 2013.

Third Quarter 2013 Financial and Operational Highlights Compared to Third Quarter 2012

- **Net income before taxes was \$704,672, or \$0.04 per share, compared to \$564,965, or \$0.03 per share. The company will pay no income taxes on approximately the next \$25 million in net income.**
- Net income was \$427,116, or \$0.02 per share, compared to \$341,202, or \$0.02 per share.
- Operating margin was 39.0% of revenue compared to 35.9%.
- Total revenue was \$1.93 million, up 10.8% compared to \$1.74 million.
- Upfront franchisee fees and commissions were \$371,000 compared to \$163,000.
- Royalties and fees less upfront fees were \$1.45 million compared to \$1.46 million.
- Royalties and fees from non-traditional franchises other than grocery stores were unchanged at \$1.0 million.
- Royalties and fees from grocery store take-n-bake locations were \$276,000 compared to \$350,000.
- Royalties and fees from traditional locations were \$81,000 compared to \$79,000.
- Royalties and fees from stand-alone take-n-bake locations were \$87,400 compared to none.

For purposes of comparing current operating results, the 2012 amounts above were adjusted, where appropriate, for the \$100,000 reduction in reserve for collectability of receivables from the Heyser Plaintiffs, which resulted in increasing revenues for the 2012 period shown for units no longer operating. Details regarding the adjustment for the reserve are provided in the company's Form 10-Q filed with the Securities and Exchange Commission.

Financial and Operational Highlights for the First Nine-Months in 2013 Compared to Comparable Period in 2012

- **Net income before taxes was \$2.15 million, or \$0.11 per share, compared to \$1.44 million, or \$0.07 per share. The company will pay no income taxes on approximately the next \$25 million in net income.**
- Net income was \$1.3 million, or \$0.07 per share, compared to \$867,000, or \$0.04 per share.
- Operating margin was 39.6% of revenue compared to 34.6%.
- Total revenue was \$5.81 million, up 12.3% compared to \$5.18 million.
- Upfront franchisee fees and commissions were \$736,000 compared to \$311,000.
- Royalties and fees less upfront fees were \$4.72 million compared to \$4.49 million.
- Royalties and fees from non-traditional franchises other than grocery stores were \$3.27 million compared to \$3.20 million.
- Royalties and fees from grocery store take-n-bake locations were unchanged at \$1.05 million.
- Royalties and fees from traditional locations were \$239,000 compared to \$240,000.
- Royalties and fees from stand-alone take-n-bake locations were \$164,000 compared to none.

For purposes of comparing current operating results, the 2012 amounts above were adjusted, where appropriate, for the \$400,000 reduction in reserve for collectability of receivables from the Heyser Plaintiffs, which resulted in increasing revenues for the 2012 period shown for units no longer operating. Details regarding the adjustment for the reserve are provided in the company's Form 10-Q filed with the Securities and Exchange Commission.

“We continue to successfully leverage the opportunities for revenue growth while maintaining control over operating expenses by maintaining focus on our primary growth engines through our take-n-bake initiatives,” said Paul Mobley, Chairman and CEO of Noble Roman’s, Inc. “This success is reflected in our growth in revenue, improved operating margin and increased net income before taxes. We have built a profitable platform for growth, benefitting from the increasing popularity of the take-n-bake concept. As we expand both the stand-alone franchise concept and our network of grocery customers, we expect accelerated top- and bottom-line growth. We are somewhat behind our expectations for the year from the grocery store take-n-bake, but we are exceeding our growth expectations for the year in the stand-alone franchise concept.”

The company has entered into agreements for 45 stand-alone take-n-bake locations and is currently in discussions with many other prospects. The first two stand-alone take-n-bake pizza locations opened in October and December 2012 and, to date, a total of 16 have been opened with 29 under development and expected to open over the next several months. The company’s stand-alone take-n-bake program features the chain’s popular traditional Hand-Tossed Style pizza, Deep-Dish Sicilian pizza, SuperThin pizza, all with a choice of three different types of sauce, all in a convenient cook-at-home format. Additional menu items include Noble Roman’s famous breadsticks with spicy cheese sauce, fresh salads, cookie dough, cinnamon rounds, bake-able pasta and more.

“Our marketing initiatives to attract potential take-n-bake franchisees continue to be successful in generating a significant number of leads,” said Mobley. “Our initial goal was to sign 30 locations in 2013, which we have already exceeded. Two weeks ago, we expanded our advertising efforts by increasing the use of web-based franchise referral systems, which we began using in late January 2013, from three portals to five portals. In addition, we initiated direct advertising on Google.com. Take-n-bake continues to be one of the fastest growing segments of the pizza industry, and Noble Roman’s is leveraging this growth opportunity with our economical concept, our reputation for fine quality products, and our proven ability to support our franchisee base.”

Thus far in 2013, the company has signed 41 additional new franchise agreements for non-traditional locations and is in discussion with numerous other convenience store chains and entertainment facilities for additional non-traditional locations. The primary source of growth in this segment comes from existing franchisees and by exhibiting in various industry trade shows, including the National Association of Convenience Stores, Western Petroleum Marketers Association, International Association of Amusement Parks and Attractions, and selected state convenience store associations.

Balance Sheet Summary

Cash and cash equivalents totaled approximately \$122,000 as of September 30, 2013 compared to \$144,000 as of December 31, 2012. Total bank debt was \$3.3 million as of September 30, 2013 compared to \$4.3 million as of December 31, 2012. Total stockholders’ equity as of September 30, 2013 was approximately \$13.7 million compared to \$12.4 million as of December 31, 2012.

On October 31, 2013, the Company announced it intends to repurchase all outstanding shares of its Series B Preferred Stock (the “Preferred”) pursuant to a call provision contained in the terms of the Preferred shares. In accordance with the call provision, the Company may repurchase the Preferred shares at a price of \$40 per share, or an aggregate of \$825,000 for the 20,625 Preferred shares currently outstanding. The holders of the Preferred shares have been receiving a 12% dividend. Each Preferred share is convertible into the Company’s common stock at a conversion price of \$2.25 per share. The outstanding Preferred shares are convertible into a total of 366,666 shares of common stock. The repurchase of the Preferred shares will therefore eliminate future dilution to the common shareholders by the amount of the shares of common stock that would have been issued upon conversion.

To finance the repurchase of the Preferred shares, the Company amended its existing term loan (the “Credit Agreement Amendment”) with BMO Harris Bank, N.A. (the “Bank”). The Credit Agreement Amendment extends the term of the Company’s existing \$3.2 million loan to provide for repayment over 40 months in equal monthly payments of principal plus interest at the then current rate of LIBOR plus 4.00% per annum (currently 4.17%). The principal amount of the loan was increased by \$825,000 for the purpose of repurchasing the Preferred shares. The additional principal amount is payable over 40 months in equal monthly payments of principal plus interest at a variable rate equal to the then current rate of LIBOR plus 6.08% per annum (currently 6.25%). The Credit Agreement Amendment slightly reduces the Company’s monthly debt payments from \$104,000 per month to \$101,000 per month. In addition, the Bank agreed to terminate a provision in the loan requiring the Company to make additional principal payments based on excess cash flow.

Teleconference

Management will conduct a live teleconference to discuss its financial results at 4:30 p.m. ET on Thursday, November 7, 2013. Anyone interested in participating should call 1-877-941-1429 if calling from the United States, or 1-480-629-9857 if dialing internationally. A replay will be available until November 14, 2013, which can be accessed by dialing 1-877-870-5176 within the United States and 1-858-384-5517 if dialing internationally. Please use passcode 4649162 to access the replay. In addition, the call will be webcast and will be available on the Company's website at www.nobleromans.com or by visiting <http://public.viavid.com/index.php?id=106796>.

The statements contained in this press release 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, competitive factors and pricing pressures, non-renewal of franchise agreements, shifts in market demand, general economic conditions, changes in purchases of or demand for the company's products, licenses or franchises, the success or failure of individual franchisees and licensees, changes in prices or supplies of food ingredients and labor, and the success or failure of its recently developed stand-alone take-n-bake operation. Should one or more of these risks or uncertainties materialize, or should underlying assumptions or estimates prove incorrect, actual results may differ materially from those described herein as anticipated, believed, estimated, expected or intended. The company undertakes no obligations to update the information in this press release for subsequent events.

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Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

Assets	December 31, <u>2012</u>	September 30, <u>2013</u>
Current assets:		
Cash	\$ 144,354	\$ 122,241
Accounts and notes receivable - net	1,080,362	1,664,664
Inventories	460,839	472,613
Assets held for resale	259,579	-
Prepaid expenses	379,669	602,280
Deferred tax asset - current portion	<u>1,400,000</u>	<u>1,400,000</u>
Total current assets	<u>3,724,803</u>	<u>4,261,798</u>
Property and equipment:		
Equipment	1,166,103	1,337,959
Leasehold improvements	<u>12,283</u>	<u>88,718</u>
	1,178,386	1,426,677
Less accumulated depreciation and amortization	<u>905,376</u>	<u>944,008</u>
Net property and equipment	273,010	482,669
Deferred tax asset (net of current portion)	9,238,536	8,387,752
Other assets including long-term portion of receivables - net	<u>3,924,404</u>	<u>4,209,576</u>
Total assets	<u>\$ 17,160,753</u>	<u>\$ 17,341,795</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term note payable to bank	\$ 1,250,000	\$ 1,250,000
Accounts payable and accrued expenses	<u>510,710</u>	<u>296,785</u>
Total current liabilities	<u>1,760,710</u>	<u>1,546,785</u>
Long-term obligations:		
Note payable to bank (net of current portion)	<u>3,020,833</u>	<u>2,083,333</u>
Total long-term liabilities	<u>3,020,833</u>	<u>2,083,333</u>
Stockholders' equity:		
Common stock – no par value (25,000,000 shares authorized, 19,516,589 issued and outstanding as of December 31, 2012 and 19,560,089 issued and outstanding as of September 30, 2013)	23,366,058	23,471,503
Preferred stock –no par value (5,000,000 shares authorized and 20,625 issued and outstanding as of December 31, 2012 and September 30, 2013)	800,250	800,250
Accumulated deficit	<u>(11,787,098)</u>	<u>(10,560,076)</u>
Total stockholders' equity	<u>12,379,210</u>	<u>13,711,677</u>
Total liabilities and stockholders' equity	<u>\$ 17,160,753</u>	<u>\$ 17,341,795</u>

Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Royalties and fees	\$1,728,207	\$1,818,625	\$ 5,199,187	\$ 5,458,434
Administrative fees and other	5,202	5,393	17,944	14,268
Restaurant revenue	<u>111,259</u>	<u>108,789</u>	<u>358,788</u>	<u>338,220</u>
Total revenue	1,844,668	1,932,807	5,575,919	5,810,922
Operating expenses:				
Salaries and wages	250,216	268,530	747,199	780,560
Trade show expense	128,357	130,617	372,481	390,157
Travel expense	46,234	54,030	140,607	153,585
Other operating expenses	170,488	195,430	520,697	559,750
Restaurant expenses	100,514	89,336	332,789	304,186
Depreciation and amortization	28,561	28,346	87,786	85,034
General and administrative	<u>394,122</u>	<u>414,640</u>	<u>1,182,508</u>	<u>1,235,188</u>
Total expenses	<u>1,118,492</u>	<u>1,180,929</u>	<u>3,384,067</u>	<u>3,508,460</u>
Operating income	726,176	751,878	2,191,852	2,302,462
Interest and other expense	<u>61,211</u>	<u>47,206</u>	<u>355,831</u>	<u>150,610</u>
Income before income taxes	664,965	704,672	1,836,021	2,151,852
Income tax expense	<u>263,393</u>	<u>277,556</u>	<u>727,247</u>	<u>850,783</u>
Net income	401,572	427,116	1,108,774	1,301,069
Cumulative preferred dividends	<u>24,682</u>	<u>24,682</u>	<u>74,318</u>	<u>74,047</u>
Net income available to common stockholders	<u>\$ 376,890</u>	<u>\$ 402,434</u>	<u>\$1,034,456</u>	<u>\$ 1,227,022</u>
Earnings per share – basic:				
Net income	\$.02	\$.02	\$.06	\$.07
Net income available to common stockholders	\$.02	\$.02	\$.05	\$.06
Weighted average number of common shares outstanding	19,506,886	19,524,594	19,491,274	19,519,287
Diluted earnings per share:				
Net income	\$.02	\$.02	\$.06	\$.06
Net income available to common stockholders	\$.02	\$.02	\$.05	\$.06
Weighted average number of common shares outstanding	20,070,990	20,264,150	20,055,378	20,258,842