

DENVER, CO – May 7, 2004 – VICORP Restaurants, Inc., today announced financial results for the twelve weeks and the twenty-four weeks ended April 15, 2004. Net revenues for the second quarter were \$93.2 million, a 6.3% increase over the \$87.7 million reported in the second quarter of 2003. Comparable restaurant sales for the second quarter of 2004 increased 3.5% over the previous year's second quarter. After the after-tax costs of \$4.7 million associated with refinancing of the Company's debt on April 14, 2004, the Company had a net loss for the second quarter of \$3.1 million, versus net income of \$.8 million in the same period a year ago. Adjusted EBITDA (as calculated in the Consolidated Statement of Operations below) for the second quarter of 2004 was \$9.5 million, 33.8% higher than the Adjusted EBITDA of \$7.1 million reported in the second quarter of the previous year. Net revenues for the twenty-four weeks ended April 15, 2004, were \$193.8 million, an increase of 6.6% over the \$181.8 million reported in the same period a year ago. Comparable restaurant sales for the first half of fiscal 2004 increased 1.9% over the same period of 2003. After the after-tax debt refinancing costs of \$4.7 million incurred during the period, the net loss for the first half of fiscal 2004 was \$.3 million, versus net income for the comparable period of 2003 of \$4.7 million. Adjusted EBITDA for the first half of 2004 was \$20.4 million, an increase of 8.5% over Adjusted EBITDA of \$18.8 million reported in same period of fiscal 2003.

The strong increase in Adjusted EBITDA in the second quarter of 2004 versus the comparable quarter of 2003 was driven by improved performance on several levels. The 6.3% increase in net revenues over the prior year's quarter resulted from the combination of a 3.5% increase in comparable restaurant sales during the second quarter of 2004, partially aided by Easter falling in the second quarter of 2004 versus in the third quarter in 2003, as well as by five additional net restaurants open as of the end of the 2004 quarter versus the prior year. Operating profit margin increased in the second quarter of 2004 over the second quarter 2003 by \$2.5 million despite the cost pressure from various food commodities. General and administrative expenses were also significantly lower in the 2004 second quarter versus the previous year. Debra Koenig, CEO, commented, "We are very pleased with the quarter, particularly with the trend-lines of our same store sales performance and our restaurant operating margins. We continue to focus on the customer experience and restaurant operating efficiencies."

In addition, the Company announced it is restating its first quarter financial statements, reflecting the effect of an error regarding advertising expense. Certain first quarter advertising campaigns for which invoices had not been received were incorrectly excluded from expenses in the Company's first quarter financial statements. Thus, the Company's net income for the twelve weeks ended January 22, 2004, has been reduced from \$3.1 million, as previously reported, to \$2.6 million. In addition, the Company's Adjusted EBITDA and Adjusted earnings before interest, taxes, depreciation, amortization, and rent expense ("Adjusted EBITDAR") for the quarter have been reduced from \$11.7 million to \$10.9 million and from \$18.6 million to \$17.8 million, respectively. Similarly, the Company's Adjusted EBITDA and Adjusted EBITDAR for the combined pro forma fifty-two weeks ended January 22, 2004, have been reduced from \$38.8 million to \$38.0 million and from \$66.4 million to \$65.6 million, respectively. The Company's year-to-date financial statements as of April 15, 2004, included as a part of this press release, reflect the restatement of the results for the first quarter of 2004. The Company's financial statements for the fiscal year ended October 26, 2003, were unaffected.

VICORP will conduct a conference call on Friday, May 7, 2004, at 2 p.m. Eastern Time. The conference call can be accessed by dialing 1-800-268-8047. A recording of the conference call will be available for review through June 7, 2004, by calling 1-800-839-6713 or 1-402-220-2306.

VICORP Restaurants, Inc., operates family-dining restaurants under two proven and well-recognized brands, Village Inn and Bakers Square. VICORP, founded in 1958, has 373 restaurants in 25 states, consisting of 269 company-operated restaurants and 104 franchised restaurants. Village Inn is known for serving fresh breakfast items throughout the day, and successfully leverages its strong breakfast heritage to offer traditional American fare for lunch and dinner. Bakers Square offers delicious food for breakfast, lunch and dinner complemented by its signature pies, including dozens of varieties of multi-layer specialty pies made from premium ingredients. Company headquarters are located at 400 West 48th Avenue, Denver, Colorado 80216.

This announcement includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. See the "Risk Factors" section of our Offering Memorandum dated April 14, 2004, for a discussion of some of the factors that may affect the Company and its operations. Such factors include, the following: competitive pressures within the restaurant industry; changes in consumer preferences; the level of success of our operating strategy and growth initiatives; the level of our indebtedness and the terms and availability of capital; fluctuations in commodity prices; changes in economic conditions; government regulation; and seasonality and weather conditions. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements which we make in this announcement speak only as of the date of such statement, and we undertake no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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VI Acquisition Corp.
Consolidated Statements of Operations

	<u>Predecessor</u>		<u>Predecessor</u>	
	<u>Twelve Weeks Ended</u>	<u>Twelve Weeks Ended</u>	<u>Twenty-four Weeks Ended</u>	<u>Twenty-four Weeks Ended</u>
	<u>April 15,</u>	<u>April 13,</u>	<u>April 15,</u>	<u>April 13,</u>
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
	<i>(In Thousands)</i>		<i>(In Thousands)</i>	
Net revenues				
Restaurant operations	\$91,963	\$86,060	\$191,390	\$178,352
Franchise operations	1,199	1,678	2,455	3,427
	<u>93,162</u>	<u>87,738</u>	<u>193,845</u>	<u>181,779</u>
Costs and expenses				
Restaurant operations:				
Food costs	24,799	23,439	52,095	48,696
Labor costs	29,491	28,599	60,299	57,941
Other operating expenses	26,454	24,771	54,564	48,455
Franchise operations	619	1,049	1,300	2,086
General and administrative	5,721	6,239	11,923	12,646
Transaction expenses	23	372	45	472
Management fees	506	231	701	462
	<u>87,613</u>	<u>84,700</u>	<u>180,927</u>	<u>170,758</u>
Operating profit	5,549	3,038	12,918	11,021
Interest expense	(3,209)	(1,999)	(6,551)	(4,095)
Debt extinguishment costs	(6,856)	-	(6,856)	-
Other income, net	27	147	49	336
Income (loss) before income taxes	(4,489)	1,186	(440)	7,262
Provision for income taxes (benefit)	(1,392)	415	(136)	2,542
Net income (loss)	(3,097)	771	(304)	4,720
Preferred stock dividends	(1,711)	(752)	(3,466)	(1,505)
Net income (loss) attributable to common stockholders	<u>\$ (4,808)</u>	<u>\$ 19</u>	<u>\$ (3,770)</u>	<u>\$ 3,215</u>
ADJUSTED EBITDA				
Income (loss) before income taxes	\$ (4,489)	\$ 1,186	\$ (440)	\$ 7,262
Interest expense	3,209	1,999	6,551	4,095
Depreciation & amortization	3,337	3,316	6,645	6,595
EBITDA	2,057	6,501	12,756	17,952
Adjustments to EBITDA				
Non-cash compensation expense	-	334	-	538
Transaction expense-June 2003	23	372	45	472
Debt extinguishment costs	7,165	-	7,165	-
Non-cash rent-purchase accounting	192	(84)	393	(159)
Impairment expense	22	-	22	-
Total adjustments	7,402	622	7,625	851
ADJUSTED EBITDA	\$ 9,459	\$ 7,123	\$ 20,381	\$ 18,803

Predecessor refers to periods prior to the Company's acquisition by VI Acquisition Corp. on June 14, 2003.

We believe that, in addition to other financial measures, Adjusted EBITDA is an appropriate indicator to assist in the evaluation of our operating performance because it provides additional information with respect to our ability to meet our future debt service, capital expenditures and working capital needs and is used by securities analysts and others in evaluating companies in our industry. However, Adjusted EBITDA should be considered as a supplement to, not a substitute for, operating income, net income or other financial performance measures prepared in accordance with generally accepted accounting principles or as a measure of liquidity. Because Adjusted EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measure of other companies.