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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 12, 2008

**Pizza Inn, Inc.**

(Exact name of registrant as specified in its charter)

**Missouri**

(State or other jurisdiction of incorporation)

**0-12919**

(Commission File Number)

**47-0654575**

(IRS Employer Identification No.)

**3551 Plano Parkway, The Colony, Texas**

(Address of principal executive offices)

**75056**

(Zip Code)

Registrant's telephone number, including area code **(469) 384-5000**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 2.02 Results of Operations and Financial Condition**

On November 12, 2008, Pizza Inn, Inc. issued a press release discussing financial results of its first quarter of fiscal 2009 ending September 28, 2008.

**ITEM 9.01 Financial Statements and Exhibits**

(d) Exhibits

| <b>Exhibit<br/>Number</b> | <b>Description</b>                                     |
|---------------------------|--|
| 99.1                      | Pizza Inn, Inc. press release dated November 12, 2008. |

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(e) SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Pizza Inn, Inc.

Date: November 12, 2008

By: /s/ Charles R. Morrison

Charles R. Morrison, President  
and Chief Executive Officer

**FOR IMMEDIATE RELEASE**

**Contact:**  
**Nancy Ellefson**  
**VP of Finance**  
**Pizza Inn, Inc.**  
**469-384-5000**  
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**PIZZA INN, INC. REPORTS RESULTS FOR  
FIRST QUARTER FISCAL YEAR 2009**

*Chain reports sixth straight quarter of positive domestic Buffet Restaurant same store sales growth*

**The Colony, Texas – November 12, 2008 — PIZZA INN, INC. (NASDAQ:PZZI)** today reported net income of \$293,000, or \$0.03 per share, for the first quarter ended September 28, 2008, versus net income of \$345,000, or \$0.03 per share, for the first quarter of the prior fiscal year. Highlights for the first quarter included:

- Comparable domestic buffet restaurant sales increased 1.1% for the first quarter of fiscal 2009 compared to the same period of the prior fiscal year.
- Total domestic restaurant sales decreased 3.4% for the first quarter of fiscal 2009 compared to the same period of the prior fiscal year.
- The first quarter of fiscal 2009 represented the sixth consecutive quarter of domestic same store sales growth compared to the prior year.
- General and administrative expenses decreased 21% in the first quarter of fiscal 2009 compared to the same period of the prior year due primarily to lower severance expense.

Charlie Morrison, President and CEO, commented, “Our same store sales performance has remained positive in these difficult economic times, which is indicative of the continued progress we are making in restoring the Pizza Inn brand. Our newest Company-owned restaurant in Denton, TX opened in mid-October and the initial sales results have been above expectations. This new Company restaurant will be the foundation for the development of Company and franchisee restaurants in the future.”

Certain statements in this press release, other than historical information, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbors created thereby. These forward-looking statements are based on current expectations that involve numerous risks, uncertainties and assumptions. Assumptions relating to these forward-looking statements involve judgments with

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**FOR IMMEDIATE RELEASE**

**Contact:**  
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respect to, among other things, future economic, competitive and market conditions, regulatory framework and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond Pizza Inn's control. Although the assumptions underlying these forward-looking statements are believed to be reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that any forward-looking statements will prove to be accurate. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of such information should not be regarded as a representation that Pizza Inn's objectives and plans will be achieved.

Pizza Inn, Inc. ([www.pizzainn.com](http://www.pizzainn.com)) is headquartered in The Colony, Texas, along with its distribution division, Norco Restaurant Services Company. Pizza Inn franchises approximately 320 restaurants and owns two restaurants with annual and domestic and international chain-wide sales of approximately \$135 million.

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**PIZZA INN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(In thousands, except per share amounts)*  
*(Unaudited)*

|   | <b>Three Months Ended</b>     |                               |
|---|-------------------------------|-------------------------------|
|   | <b>September 28,<br/>2008</b> | <b>September 23,<br/>2007</b> |
| <b>REVENUES:</b>                                      |                               |                               |
| Food and supply sales                                 | \$ 10,134                     | \$ 10,779                     |
| Franchise revenue                                     | 1,064                         | 1,116                         |
| Restaurant sales                                      | 190                           | 183                           |
|   | <u>11,388</u>                 | <u>12,078</u>                 |
| <b>COSTS AND EXPENSES:</b>                            |                               |                               |
| Cost of sales   | 9,655                         | 10,072                        |
| Franchise expenses                                    | 479                           | 620                           |
| General and administrative expenses                   | 687                           | 621                           |
| Severance   | 37                            | 300                           |
| Bad debt  | 15                            | 23                            |
| Interest expense                                      | 12                            | 14                            |
|   | <u>10,885</u>                 | <u>11,650</u>                 |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE TAXES</b> | 503                           | 428                           |
| Income taxes  | 161                           | —                             |
| <b>INCOME FROM CONTINUING OPERATIONS</b>              | <u>342</u>                    | <u>428</u>                    |
| Loss from discontinued operations, net of taxes       | (49)                          | (83)                          |
| <b>NET INCOME</b>                                     | <u>293</u>                    | <u>345</u>                    |

**PIZZA INN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In thousands, except share amounts)*

|   | September 28,<br>2008 (unaudited) | June 29,<br>2008 |
|---|-----------------------------------|------------------|
| <b>ASSETS</b>   |                                   |                  |
| CURRENT ASSETS  |                                   |                  |
| Cash and cash equivalents   | \$ 153                            | \$ 1,157         |
| Accounts receivable, less allowance for bad debts of \$142 and \$128, respectively  | 2,703                             | 2,773            |
| Notes receivable, current portion   | 8                                 | 6                |
| Income tax receivable   | 120                               | 272              |
| Inventories   | 1,416                             | 1,396            |
| Property held for sale  | 299                               | 301              |
| Deferred income tax assets  | 555                               | 555              |
| Prepaid expenses and other  | 396                               | 235              |
| Total current assets  | <u>5,650</u>                      | <u>6,695</u>     |
| LONG-TERM ASSETS  |                                   |                  |
| Property, plant and equipment, net  | 996                               | 635              |
| Notes receivable  | 3                                 | 7                |
| Deferred income tax assets  | 237                               | 237              |
| Re-acquired development territory, net  | —                                 | 46               |
| Deposits and other  | 165                               | 215              |
|   | <u>\$ 7,051</u>                   | <u>\$ 7,835</u>  |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                                   |                  |
| CURRENT LIABILITIES   |                                   |                  |
| Accounts payable — trade  | \$ 1,514                          | \$ 2,380         |
| Cash overdraft  | 582                               | —                |
| Accrued expenses  | 1,001                             | 1,316            |
| Short-term debt   | 301                               | —                |
| Total current liabilities   | <u>3,398</u>                      | <u>3,696</u>     |
| LONG-TERM LIABILITIES   |                                   |                  |
| Deferred gain on sale of property   | 178                               | 184              |
| Deferred revenues   | 277                               | 283              |
| Other long-term liabilities   | 11                                | 18               |
| Total liabilities   | <u>3,864</u>                      | <u>4,181</u>     |
| COMMITMENTS AND CONTINGENCIES   |                                   |                  |
| SHAREHOLDERS' EQUITY  |                                   |                  |
| Common stock, \$.01 par value; authorized 26,000,000 shares; issued 15,130,319 and 15,130,319 shares, respectively;<br>outstanding 8,788,262 and 9,104,361 shares, respectively | 151                               | 151              |
| Additional paid-in capital  | 8,598                             | 8,543            |
| Retained earnings   | 17,917                            | 17,624           |
| Treasury stock at cost  |                                   |                  |
| Shares in treasury: 6,342,057 and 6,025,958, respectively   | (23,479)                          | (22,664)         |
| Total shareholders' equity  | <u>3,187</u>                      | <u>3,654</u>     |
|   | <u>\$ 7,051</u>                   | <u>\$ 7,835</u>  |

**PIZZA INN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In thousands)*  
*(Unaudited)*

|  | <b>Three Months Ended</b>     |                               |
|--|-------------------------------|-------------------------------|
|  | <b>September 28,<br/>2008</b> | <b>September 23,<br/>2007</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                               |                               |                               |
| Net income   | \$ 293                        | \$ 345                        |
| Adjustments to reconcile net income to cash used for operating activities: |                               |                               |
| Depreciation and amortization  | 83                            | 84                            |
| Severance accrual expense  | —                             | 300                           |
| Stock compensation expense   | 55                            | —                             |
| Provision for bad debts  | 15                            | 23                            |
| Changes in operating assets and liabilities:                               |                               |                               |
| Deferred revenue   | 12                            | —                             |
| Notes and accounts receivable  | 209                           | (380)                         |
| Inventories  | (20)                          | 184                           |
| Accounts payable — trade   | (866)                         | (302)                         |
| Accrued expenses   | (327)                         | (646)                         |
| Prepaid expenses and other   | (120)                         | (92)                          |
| <b>Cash used for operating activities</b>                                  | <b>(666)</b>                  | <b>(484)</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                               |                               |                               |
| Capital expenditures   | (407)                         | (40)                          |
| <b>Cash used for investing activities</b>                                  | <b>(407)</b>                  | <b>(40)</b>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                               |                               |                               |
| Change in line of credit, net  | 301                           | —                             |
| Cash overdraft   | 582                           | —                             |
| Repurchase of common stock   | (814)                         | (35)                          |
| <b>Cash provided by (used) for financing activities</b>                    | <b>69</b>                     | <b>(35)</b>                   |
| Net decrease in cash and cash equivalents                                  | (1,004)                       | (559)                         |
| Cash and cash equivalents, beginning of period                             | 1,157                         | 1,879                         |
| Cash and cash equivalents, end of period                                   | <u>\$ 153</u>                 | <u>\$ 1,320</u>               |



**PIZZA INN, INC.**  
**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**  
*(In thousands)*  
*(Unaudited)*

|                           | <u>Three Months Ended</u>           |                                     |
|---------------------------|-------------------------------------|-------------------------------------|
|                           | <u>September 28,</u><br><u>2008</u> | <u>September 23,</u><br><u>2007</u> |
| <b>CASH PAYMENTS FOR:</b> |                                     |                                     |
| Interest                  | \$ 12                               | \$ 14                               |