

---

**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 7, 2012**

**Pizza Inn Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Missouri**

(State or other jurisdiction of incorporation)

**0-12919**

(Commission File Number)

**45-3189287**

(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))
-

**ITEM 2.02 Results of Operations and Financial Condition**

On November 7, 2012, Pizza Inn Holdings, Inc. issued a press release discussing financial results of its first quarter of fiscal 2013 ended September 23, 2012, a copy of which is attached as Exhibit 99.1 hereto.

**ITEM 9.01 Financial Statements and Exhibits**

(d) Exhibits

| <b>Exhibit<br/>Number</b> | <b>Description</b>   |
|---------------------------|--|
| 99.1                      | Pizza Inn Holdings, Inc. press release dated November 7, 2012. |

---

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 7, 2012

By: /s/ Clinton Coleman  
Clinton Coleman, President  
and Chief Executive Officer

---



**Contact:**  
**Jerry L. Trojan**  
**Chief Financial Officer**  
**Pizza Inn Holdings, Inc.**  
**469-384-5000**

**PIZZA INN HOLDINGS, INC. REPORTS RESULTS FOR  
FIRST QUARTER FISCAL YEAR 2013**

*Company continues to grow Pie Five Pizza Co. concept*

**The Colony, Texas – November 7, 2012 -- PIZZA INN HOLDINGS, INC. (NASDAQ: PZZI)**

**First Quarter Fiscal Year 2013 Highlights:**

- **The Company opened an additional Pie Five Pizza Co. restaurant**
- **Company-owned restaurant sales increased 41.4% over the first quarter of fiscal 2012 to \$1.8 million**
- **Net income decreased \$0.4 million from the first quarter of fiscal 2012 to a loss of \$58,000**
- **Compared to first quarter of fiscal 2012, total domestic franchised same store sales declined 6.8%**
- **EBITDA decreased \$0.4 million to \$0.3 million compared to first quarter of fiscal 2012**

Pizza Inn Holdings, Inc. (NASDAQ: PZZI) today announced results for the first fiscal quarter ended September 23, 2012. First quarter net income decreased \$0.4 million to a loss of \$58,000, or \$0.01 per share, compared to net income of \$0.3 million, or \$0.04 per share, for the same quarter of the prior fiscal year. The decline in net income was primarily attributable to lower revenue earned from franchising and food and supply sales and higher costs related to the continued development of the Pie Five Pizza Co. concept when compared to the first quarter ended September 25, 2011.

First quarter revenues decreased to \$10.4 million in fiscal 2013 compared to \$11.1 million in the prior fiscal year. Food and supply sales decreased by approximately \$1.2 million, or 13.4%, due to the combined impact of a decrease in the average number of restaurants open, a 9.4% decrease in total domestic franchisee retail sales and a decrease in non-proprietary items purchased from the Company by franchisees. Compared to the first quarter of fiscal 2012, Company-owned restaurant sales increased 41.4% to \$1.8 million due primarily to new store openings.

"We continue to develop and expand our Pie Five concept with the addition of one new store opened in the fiscal first quarter and our eighth store in October," commented Clinton Coleman, Interim President and Chief Executive Officer. "We are pleased with the performance of the last several new stores and are planning to accelerate the opening of Pie Five stores in the second half of fiscal 2013. Our franchise development activities are ramping up, as experienced multi-unit operators in many markets are indicating a high degree of interest in the Pie Five concept. Meanwhile our Pie Five brand has drawn national attention as a result of being named a Hot Concept for 2012 by *Nation's Restaurant News*. We continue to invest in people and infrastructure in anticipation of further development of Company-owned and franchised units of our Pie Five concept."

"The retail sales trend in the Pizza Inn system continued to be impacted during the first quarter by the high level of pricing competition in the pizza market. While food and supply sales relative to total domestic franchisee sales remained below our historical norms during the first quarter, the trend improved from the pace of the third and fourth quarters of fiscal 2012. We continue to evaluate new initiatives for providing high-quality, non-proprietary food products to our franchisees," Mr. Coleman concluded.

---

**FOR IMMEDIATE RELEASE**

**Contact:**  
**Jerry L. Trojan**  
**Chief Financial Officer**  
**Pizza Inn Holdings, Inc.**  
**469-384-5000**

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 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 the control of Pizza Inn Holdings. 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 the objectives and plans of Pizza Inn Holdings will be achieved.

Pizza Inn Holdings, Inc. is an owner, franchisor and supplier of a system of restaurants operating domestically and internationally under the trademarks “Pizza Inn” and “Pie Five Pizza Company.” The Company and its distribution division, Norco Restaurant Services Company, are headquartered in The Colony, Texas. The Company’s common stock is listed on the Nasdaq Capital Market under the symbol “PZZI.”

---

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

|   | <b>Three Months Ended</b>     |                               |
|---|-------------------------------|-------------------------------|
|   | <b>September 23,<br/>2012</b> | <b>September 25,<br/>2011</b> |
| <b>REVENUES:</b>  | \$ 10,438                     | \$ 11,147                     |
| <b>COSTS AND EXPENSES:</b>  |                               |                               |
| Cost of sales   | 8,792                         | 9,250                         |
| General and administrative expenses   | 1,005                         | 895                           |
| Franchise expenses  | 501                           | 452                           |
| Pre-opening expenses  | 79                            | 12                            |
| Bad debt  | 45                            | 15                            |
| Interest expense  | 104                           | 16                            |
|   | <u>10,526</u>                 | <u>10,640</u>                 |
| <b>(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE TAXES</b>                        | (88)                          | 507                           |
| Income taxes  | (45)                          | 178                           |
| <b>(LOSS) INCOME FROM CONTINUING OPERATIONS</b>                                     | <u>(43)</u>                   | <u>329</u>                    |
| Loss from discontinued operations, net of taxes                                     | (15)                          | (16)                          |
| <b>NET (LOSS) INCOME</b>  | <u>\$ (58)</u>                | <u>\$ 313</u>                 |
| <b>EARNINGS PER SHARE OF COMMON STOCK - BASIC:</b>                                  |                               |                               |
| (Loss) Income from continuing operations  | \$ (0.01)                     | \$ 0.04                       |
| Loss from discontinued operations   | -                             | -                             |
| Net (loss) income   | <u>\$ (0.01)</u>              | <u>\$ 0.04</u>                |
| <b>EARNINGS PER SHARE OF COMMON STOCK - DILUTED:</b>                                |                               |                               |
| (Loss) Income from continuing operations  | \$ (0.01)                     | \$ 0.04                       |
| Loss from discontinued operations   | -                             | -                             |
| Net (loss) income   | <u>\$ (0.01)</u>              | <u>\$ 0.04</u>                |
| <b>Weighted average common shares outstanding - basic</b>                           | <u>8,021</u>                  | <u>8,011</u>                  |
| <b>Weighted average common and<br/>potential dilutive common shares outstanding</b> | <u>8,113</u>                  | <u>8,128</u>                  |

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

| <b>ASSETS</b>  | <b>September 23,<br/>2012 (unaudited)</b> | <b>June 24,<br/>2012</b> |
|--|---|--------------------------|
| <b>CURRENT ASSETS</b>  |   |                          |
| Cash and cash equivalents  | \$ 1,157                                  | \$ 590                   |
| Accounts receivable, less allowance for bad debts<br>of \$297 and \$253, respectively  | 2,878                                     | 3,098                    |
| Inventories  | 1,780                                     | 1,852                    |
| Income tax receivable  | 431                                       | 431                      |
| Deferred income tax assets   | 1,295                                     | 1,078                    |
| Prepaid expenses and other   | 394                                       | 256                      |
| Total current assets   | <u>7,935</u>                              | <u>7,305</u>             |
| <b>LONG-TERM ASSETS</b>  |   |                          |
| Property, plant and equipment, net   | 4,907                                     | 4,794                    |
| Long-term notes receivable   | 53  | 27                       |
| Deposits and other   | 218                                       | 372                      |
|  | <u>\$ 13,113</u>                          | <u>\$ 12,498</u>         |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |   |                          |
| <b>CURRENT LIABILITIES</b>   |   |                          |
| Accounts payable - trade   | \$ 1,447                                  | \$ 1,562                 |
| Accrued expenses   | 1,833                                     | 1,756                    |
| Deferred revenues  | 143                                       | 200                      |
| Bank debt  | 465                                       | 765                      |
| Total current liabilities  | <u>3,888</u>                              | <u>4,283</u>             |
| <b>LONG-TERM LIABILITIES</b>   |   |                          |
| Bank debt, net of current portion  | 1,835                                     | 977                      |
| Deferred tax liability   | 873                                       | 699                      |
| Deferred revenues, net of current portion  | 116                                       | 125                      |
| Deferred gain on sale of property  | 78  | 84                       |
| Other long-term liabilities  | 28  | 22                       |
| Total liabilities  | <u>6,818</u>                              | <u>6,190</u>             |
| <b>COMMITMENTS AND CONTINGENCIES</b>   |   |                          |
| <b>SHAREHOLDERS' EQUITY</b>  |   |                          |
| Common stock, \$.01 par value; authorized 26,000,000<br>shares; issued 15,140,319 and 15,140,319 shares, respectively;<br>outstanding 8,020,919 and 8,020,919 shares, respectively | 151                                       | 151                      |
| Additional paid-in capital   | 9,199                                     | 9,154                    |
| Retained earnings  | 21,581                                    | 21,639                   |
| Treasury stock at cost   |   |                          |
| Shares in treasury: 7,119,400  | (24,636)                                  | (24,636)                 |
| Total shareholders' equity   | <u>6,295</u>                              | <u>6,308</u>             |
|  | <u>\$ 13,113</u>                          | <u>\$ 12,498</u>         |



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

|  | <b>Three Months Ended</b>     |                               |
|--|-------------------------------|-------------------------------|
|  | <b>September 23,<br/>2012</b> | <b>September 25,<br/>2011</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                               |                               |
| Net (loss) income  | \$ (58)                       | \$ 313                        |
| Adjustments to reconcile net (loss) income to cash provided by operating activities: |                               |                               |
| Depreciation and amortization  | 291                           | 176                           |
| Stock compensation expense   | 45                            | 42                            |
| Deferred tax   | (43)                          | 18                            |
| Provision for bad debts  | 44                            | 15                            |
| Changes in operating assets and liabilities:   |                               |                               |
| Notes and accounts receivable  | 176                           | (17)                          |
| Inventories  | 72                            | (55)                          |
| Accounts payable - trade   | (115)                         | (244)                         |
| Accrued expenses   | 77                            | (20)                          |
| Deferred revenue   | (72)                          | -                             |
| Prepaid expenses and other   | (14)                          | (109)                         |
| <b>Cash provided by operating activities</b>   | <b>403</b>                    | <b>119</b>                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                               |                               |
| Capital expenditures   | (394)                         | (115)                         |
| <b>Cash used by investing activities</b>   | <b>(394)</b>                  | <b>(115)</b>                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                               |                               |
| Borrowings of bank debt  | 2,560                         | -                             |
| Repayments of bank debt  | (2,002)                       | (83)                          |
| <b>Cash provided (used) by financing activities</b>                                  | <b>558</b>                    | <b>(83)</b>                   |
| Net increase (decrease) in cash and cash equivalents                                 | 567                           | (79)                          |
| Cash and cash equivalents, beginning of period                                       | 590                           | 949                           |
| Cash and cash equivalents, end of period   | <u>\$ 1,157</u>               | <u>\$ 870</u>                 |

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**CASH PAYMENTS FOR:**

|          |       |       |
|----------|-------|-------|
| Interest | \$ 33 | \$ 12 |
|----------|-------|-------|

**PIZZA INN HOLDINGS, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
*(In thousands)*  
*(Unaudited)*

|                               | <b>Three Months Ended</b>     |                               |
|-------------------------------|-------------------------------|-------------------------------|
|                               | <b>September 23,<br/>2012</b> | <b>September 25,<br/>2011</b> |
| Net (loss) income             | \$ (58)                       | \$ 313                        |
| Interest expense              | 104                           | 16                            |
| Taxes                         | (45)                          | 178                           |
| Depreciation and amortization | 291                           | 176                           |
| EBITDA                        | <u>\$ 292</u>                 | <u>\$ 683</u>                 |

---

