

**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): **February 6, 2013**

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 February 6, 2013, Pizza Inn Holdings, Inc. issued a press release discussing financial results of its second quarter of fiscal 2013 ended December 23, 2012, a copy of which is attached as Exhibit 99.1 hereto.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit Number | Description |
|---------------------------|--|
| 99.1 | Pizza Inn Holdings, Inc. press release dated February 6, 2013. |

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 Holdings Inn, Inc.

Date: February 6, 2013

By: /s/ Randall E. Gier
Randall E. Gier
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
SECOND QUARTER FISCAL YEAR 2013**

Company continues to grow Pie Five Pizza Co. concept

THE COLONY, Texas – February 6, 2013 -- PIZZA INN HOLDINGS, INC. (NASDAQ: PZZI)

Second Quarter Highlights:

- **The Company opened an additional Pie Five Pizza Co. restaurant**
- **Company awarded first two Pie Five Pizza Co. franchise development agreements**
- **Company-owned restaurant sales increased 55.8% over the second quarter of fiscal 2012 to \$2.0 million**
- **Net income decreased \$0.2 million from the second quarter of fiscal 2012 to a loss of \$120,000**
- **Compared to second quarter of fiscal 2012, total domestic Pizza Inn franchised same store sales decreased 4.5%**
- **EBITDA decreased \$0.2 million to \$0.1 million compared to the second quarter of fiscal 2012**

Pizza Inn Holdings, Inc. (NASDAQ: PZZI) today announced results for the second fiscal quarter ended December 23, 2012. Second quarter net income decreased \$0.2 million to a loss of \$120,000, or \$0.01 per share, compared to net income of \$56,000, or \$0.01 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 second quarter ended December 25, 2011.

Second quarter revenues increased to \$10.5 million in fiscal 2013 compared to \$10.3 million in the prior fiscal year. Food and supply sales decreased by approximately \$0.4 million, or 5.4%, due to the combined impact of a decrease in the average number of restaurants open and an 8.7% decrease in total domestic franchisee retail sales. Compared to the second quarter of fiscal 2012, Company-owned restaurant sales increased 55.8% to \$2.0 million due primarily to new store openings.

"We continued to expand our Pie Five concept with the opening of another corporate-owned location during the second fiscal quarter," said Randy Gier, President and Chief Executive Officer. "We also welcomed 2013 with the opening of our ninth corporate-owned Pie Five in January. In the second fiscal quarter we awarded our first two multi-unit franchise agreements to develop up to 18 locations in Utah and North Carolina. At the same time, we have invested in the people and infrastructure for further development of our brands with the addition of Flynn Dekker as Chief Marketing Officer for Pizza Inn Holdings and Chris Smith as Vice President of Operations for Pie Five. We have plans to continue opening new Pie Five locations throughout 2013. The pace of store openings is contingent upon the availability of quality real estate and the completion of new retail centers in which we have leased space.

"The retail sales trend in the Pizza Inn system was negative when compared to the prior year period primarily as a result of significant pricing competition in the pizza market," Gier added. "However, new initiatives are underway to improve product quality and to communicate with loyal customers as well as new audiences about the value of Pizza Inn's legendary menu. We have a very unique product offering that is not matched by larger pizza competitors. We will continue to develop a strategy to leverage this to the benefit of the Pizza Inn system."

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.

About Pizza Inn Holdings, Inc.:

Headquartered in the Dallas suburb of The Colony, TX, 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 Co." Pizza Inn is an international pizza chain featuring traditional and specialty pizzas, as well as freshly made pastas, sandwiches, and desserts. Pie Five Pizza Co. is a fast-casual concept offering individual pizzas made to order and cooked in less than five minutes. Founded in 1958, Pizza Inn Holdings Inc. owns and franchises approximately 300 restaurants. The Company's common stock is listed on the Nasdaq Capital Market under the symbol "PZZI". For more information, please visit www.pizzainn.com.

###

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

| | Three Months Ended | | Six Months Ended | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | December 23, 2012 | December 25, 2011 | December 23, 2012 | December 25, 2011 |
| REVENUES: | | | | |
| Food and supply sales | \$ 7,701 | \$ 8,137 | \$ 15,411 | \$ 17,044 |
| Franchise revenue | 890 | 943 | 1,792 | 1,892 |
| Restaurant sales | 1,957 | 1,256 | 3,783 | 2,547 |
| | <u>10,548</u> | <u>10,336</u> | <u>20,986</u> | <u>21,483</u> |
| COSTS AND EXPENSES: | | | | |
| Cost of sales | 8,875 | 8,611 | 17,667 | 17,861 |
| General and administrative expenses | 1,153 | 898 | 2,158 | 1,793 |
| Franchise expenses | 566 | 521 | 1,067 | 973 |
| Pre-opening expenses | 85 | 164 | 164 | 176 |
| Bad debt | 45 | 15 | 90 | 30 |
| Interest expense | 35 | 17 | 139 | 33 |
| | <u>10,759</u> | <u>10,226</u> | <u>21,285</u> | <u>20,866</u> |
| (LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE TAXES | (211) | 110 | (299) | 617 |
| Income tax (benefit) expense | (103) | 39 | (148) | 217 |
| (LOSS) INCOME FROM CONTINUING OPERATIONS | <u>(108)</u> | <u>71</u> | <u>(151)</u> | <u>400</u> |
| Loss from discontinued operations, net of taxes | (12) | (15) | (27) | (31) |
| NET (LOSS) INCOME | <u>\$ (120)</u> | <u>\$ 56</u> | <u>\$ (178)</u> | <u>\$ 369</u> |
| EARNINGS PER SHARE OF COMMON STOCK - BASIC: | | | | |
| (Loss) Income from continuing operations | \$ (0.01) | \$ 0.01 | \$ (0.02) | \$ 0.05 |
| Loss from discontinued operations | - | - | - | - |
| Net (loss) income | <u>\$ (0.01)</u> | <u>\$ 0.01</u> | <u>\$ (0.02)</u> | <u>\$ 0.05</u> |
| EARNINGS PER SHARE OF COMMON STOCK - DILUTED: | | | | |
| (Loss) Income from continuing operations | \$ (0.01) | \$ 0.01 | \$ (0.02) | \$ 0.05 |
| Loss from discontinued operations | - | - | - | - |
| Net (loss) income | <u>\$ (0.01)</u> | <u>\$ 0.01</u> | <u>\$ (0.02)</u> | <u>\$ 0.05</u> |
| Weighted average common shares outstanding - basic | <u>8,021</u> | <u>8,013</u> | <u>8,021</u> | <u>8,012</u> |
| Weighted average common and potential dilutive common shares outstanding | <u>8,184</u> | <u>8,362</u> | <u>8,172</u> | <u>8,292</u> |

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

| ASSETS | December 23, 2012 (unaudited) | June 24, 2012 |
|---|--|--------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 534 | \$ 590 |
| Accounts receivable, less allowance for bad debts of \$252 and \$253, respectively | 3,303 | 3,098 |
| Inventories | 1,531 | 1,852 |
| Income tax receivable | 429 | 431 |
| Deferred income tax assets | 1,070 | 1,078 |
| Prepaid expenses and other | 436 | 256 |
| Total current assets | <u>7,303</u> | <u>7,305</u> |
| LONG-TERM ASSETS | | |
| Property, plant and equipment, net | 5,520 | 4,794 |
| Long-term notes receivable | 115 | 27 |
| Deposits and other | 216 | 372 |
| | <u>\$ 13,154</u> | <u>\$ 12,498</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable - trade | \$ 1,422 | \$ 1,562 |
| Accrued expenses | 1,856 | 1,756 |
| Deferred revenues | 128 | 200 |
| Bank debt | 556 | 765 |
| Total current liabilities | <u>3,962</u> | <u>4,283</u> |
| LONG-TERM LIABILITIES | | |
| Bank debt, net of current portion | 2,219 | 977 |
| Deferred tax liability | 553 | 699 |
| Deferred revenues, net of current portion | 107 | 125 |
| Deferred gain on sale of property | 71 | 84 |
| Other long-term liabilities | 22 | 22 |
| Total liabilities | <u>6,934</u> | <u>6,190</u> |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY | | |
| Common stock, \$.01 par value; authorized 26,000,000 shares; issued 15,140,319; outstanding 8,020,919 | 151 | 151 |
| Additional paid-in capital | 9,244 | 9,154 |
| Retained earnings | 21,461 | 21,639 |
| Treasury stock at cost Shares in treasury: 7,119,400 | (24,636) | (24,636) |
| Total shareholders' equity | <u>6,220</u> | <u>6,308</u> |
| | <u>\$ 13,154</u> | <u>\$ 12,498</u> |

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

| | Six Months Ended | |
|--|------------------------------|------------------------------|
| | December 23, 2012 | December 25, 2011 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net (loss) income | \$ (178) | \$ 369 |
| Adjustments to reconcile net (loss) income to cash provided by operating activities: | | |
| Depreciation and amortization | 627 | 389 |
| Stock compensation expense | 90 | 73 |
| Deferred tax | (138) | 39 |
| Provision for litigation costs | | |
| Provision for bad debts | 1 | 30 |
| Changes in operating assets and liabilities: | | |
| Notes and accounts receivable | (319) | (282) |
| Inventories | 321 | 105 |
| Accounts payable - trade | (140) | (8) |
| Accrued expenses | 100 | (169) |
| Deferred revenue | (103) | (78) |
| Prepaid expenses and other | (26) | (283) |
| Cash provided by operating activities | 235 | 185 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (1,324) | (1,222) |
| Cash used by investing activities | (1,324) | (1,222) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from exercise of stock options | - | 23 |
| Borrowings of bank debt | 3,160 | 741 |
| Repayments of bank debt | (2,127) | (167) |
| Repayments of bank debt - F&M | - | - |
| Cash provided by financing activities | 1,033 | 597 |
| Net decrease in cash and cash equivalents | (56) | (440) |
| Cash and cash equivalents, beginning of period | 590 | 949 |
| Cash and cash equivalents, end of period | <u>\$ 534</u> | <u>\$ 509</u> |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH PAYMENTS FOR:

| | | |
|--------------------|--------|-------|
| Interest | \$ 141 | \$ 32 |
| Income taxes - net | - | 57 |

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

| | | Three Months Ended | |
|-------------------------------|--|------------------------------|------------------------------|
| | | December 23, 2012 | December 25, 2011 |
| Net (loss) income | | \$ (120) | \$ 56 |
| Interest expense | | 35 | 17 |
| Taxes | | (103) | 39 |
| Depreciation and amortization | | 326 | 206 |
| EBITDA | | <u>\$ 138</u> | <u>\$ 318</u> |

| | | Six Months Ended | |
|-------------------------------|--|------------------------------|------------------------------|
| | | December 23, 2012 | December 25, 2011 |
| Net (loss) income | | \$ (178) | \$ 369 |
| Interest expense | | 139 | 33 |
| Taxes | | (148) | 217 |
| Depreciation and amortization | | 627 | 389 |
| EBITDA | | <u>\$ 440</u> | <u>\$ 1,008</u> |
