

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) OCTOBER 25, 2005

PIZZA INN, INC.
(Exact name of registrant as specified in its charter)

MISSOURI 0-12919 47-0654575
(State or other jurisdiction of incorporation) (Commission File Number) (IRS
Employer Identification No.)

3551 PLANO PARKWAY, THE COLONY, TEXAS 75056
(Address of principal executive offices) (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 7.01 REGULATION FD DISCLOSURE.

Pizza Inn, Inc. elects to disclose the information in the press release furnished as Exhibit 99.1 to this report and incorporated herein by reference through Form 8-K pursuant to Regulation FD.

Pizza Inn, Inc. is furnishing this report under Item 7.01 solely to satisfy its obligations under Regulation FD. The information in this report shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. The information in this report shall not be considered "filed" under the Exchange Act or incorporated by reference into a filing under the Securities Act or the Exchange Act.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(C) EXHIBITS.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Press Release dated October 25, 2005 (furnished herewith and incorporated herein by reference)

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: October 25, 2005 By: /s/ Shawn M. Preator
Shawn M. Preator, Chief Financial Officer

PIZZA INN, INC. REPORTS RESULTS FOR THE
FIRST QUARTER FISCAL YEAR 2006

THE COLONY, TEXAS - October 25, 2005 - PIZZA INN, INC. (NASDAQ:PZZI) today reported a net loss per share for its first quarter ended September 25, 2005 of (\$0.04) versus \$0.03 earnings per share for the same quarter last year. The quarter resulted in a net loss of (\$393,000) versus net income of \$285,000 for the same quarter last year on revenues of \$12.9 million and \$14.4 million, respectively.

FIRST QUARTER FY 2006 VERSUS FIRST QUARTER FY 2005 RESULTS

Diluted EPS was (\$0.04) versus \$0.03 on a net loss of (\$393,000) versus net income of \$285,000.

Revenues decreased approximately 11% or \$1.6 million primarily due to lower comparable chainwide retail sales, fewer net stores and the effect of Hurricane Katrina (combined total is approximately \$1.2 million). Additionally, equipment sales decreased \$241,000 and international sales of food and equipment decreased \$119,000.

Comparable chainwide retail sales were down 3.5%.

Legal fees increased approximately \$363,000 as the result of ongoing litigation and related matters.

Energy costs increased approximately \$156,000.

General and administrative expenses included non-cash executive stock compensation expense of \$103,000 for approximately 560,000 stock option rights granted previously to the chief executive officer and members of the board of directors. The prior year did not include any non-cash compensation expense.

The Company's President and CEO, Tim Taft, commented, "Despite the temporary negative impact of Hurricane Katrina on our financial results, our primary concern is with the people of the Gulf Region and our operators there. We must, however, remain focused on the fundamentals of our business, from concept development to unit-level profitability. In the coming weeks we will introduce our new buffet concept in the Dallas and Houston markets, featuring a more progressive approach to our brand and its profitability. In addition, a new franchisee selection program will roll out in November of this year, targeting strategic markets throughout the chain. Also, as our Product and Purchasing Committee reduces costs in the operating system, our marketing efforts have been refocused to illuminate the brand's core competency - a tradition of serving quality food and hospitality."

Certain statements in this press release, other than historical information, may be considered forward-looking statements, within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, and are subject to various risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ from those anticipated, estimated or expected. Among the key factors that may have a direct bearing on Pizza Inn's operating results, performance or financial condition are its ability to implement its growth strategies, national, regional and local economic conditions affecting the restaurant/entertainment industry, competition within each of the restaurant and entertainment industries, store sales cannibalization, success of its franchise operations, negative publicity, fluctuations in quarterly results of operations, including seasonality, government regulations, weather, commodity, insurance and labor costs.

Pizza Inn, Inc. is headquartered in The Colony, Texas, along with its distribution division, Norco Restaurant Services Company. Pizza Inn franchises approximately 385 restaurants and owns five restaurants with annual chainwide sales of approximately \$160 million.

PIZZA INN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

THREE MONTHS ENDED

REVENUES: SEPTEMBER 25, SEPTEMBER 26,
2005 2004

Food and supply sales	\$	11,308	\$	12,822
Franchise revenue		1,180		1,340
Restaurant sales		218		255
Other income		147		-
		<u>12,853</u>		<u>14,417</u>
COSTS AND EXPENSES:				
Cost of sales		11,132		12,192
Franchise expenses		808		626
General and administrative expenses		1,401		1,022
Interest expense		169		136
		<u>13,510</u>		<u>13,976</u>
(LOSS) INCOME BEFORE INCOME TAXES		(657)		441
Provision for income taxes		(264)		156
NET (LOSS) INCOME	\$	<u>(393)</u>	\$	<u>285</u>
BASIC (LOSS) EARNINGS PER COMMON SHARE	\$	<u>(0.04)</u>	\$	<u>0.03</u>
DILUTED (LOSS) EARNINGS PER COMMON SHARE	\$	<u>(0.04)</u>	\$	<u>0.03</u>
WEIGHTED AVERAGE COMMON SHARES		<u>10,108</u>		<u>10,134</u>
WEIGHTED AVERAGE COMMON AND POTENTIAL DILUTIVE COMMON SHARES		<u>10,150</u>		<u>10,169</u>