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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 19, 2003, or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission file number 1-8308

Luby's, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**74-1335253**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification Number)*

2211 Northeast Loop 410
San Antonio, Texas 78217
(Address of principal executive offices, including zip code)

(210) 654-9000	**www.lubys.com**

(Registrant's telephone number, including area code, and Website)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ____

As of December 18, 2003, there were 22,470,004 shares of the registrant's Common Stock outstanding, which does not include 4,933,063 treasury shares.

Luby's, Inc.

Form 10-Q
Quarter ended November 19, 2003
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Additional Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports are available free of charge via hyperlink on its website at www.lubys.com. The Company makes these reports available as soon as reasonably practicable upon filing with the SEC. Information on the Company's website is not incorporated into this report.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Luby's, Inc.
Consolidated Balance Sheets
(In thousands)

	November 19, 2003 (Unaudited)	August 27, 2003
ASSETS		
Current Assets:		
Cash	**$ 482**	$ 871
Short-term investments (see Note 3)	**20,303**	20,498
Trade accounts and other receivables	**148**	283
Food and supply inventories	**2,501**	1,798
Prepaid expenses	**2,885**	3,485
Deferred income taxes (see Note 4)	**1,944**	1,777
Total current assets	**28,263**	28,712
Property held for sale (see Note 7)	**30,628**	32,946
Investments and other assets	**524**	547
Property, plant, and equipment - at cost, net (see Note 5)	**214,018**	217,676
Total assets	**$ 273,433**	$ 279,881
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	**$ 13,532**	$ 12,488
Accrued expenses and other liabilities	**20,311**	20,978
Convertible subordinated notes, net - related party (see Notes 6 and 9)	**7,541**	6,973
Credit-facility debt (see Note 6)	**88,783**	91,559
Total current liabilities	**130,167**	131,998
Accrued claims and insurance	**3,533**	3,729
Deferred income taxes and other credits (see Note 4)	**10,713**	10,579
Reserve for restaurant closings (see Note 7)	**1,280**	1,663
Commitments and contingencies (see Note 8)	**-**	-
Total liabilities	**145,693**	147,969
SHAREHOLDERS' EQUITY		
Common stock, $.32 par value; authorized 100,000,000 shares, issued 27,403,067 shares in 2004 and 2003	**8,769**	8,769
Paid-in capital	**36,625**	36,916
Deferred compensation	**(385)**	(679)
Retained earnings	**187,502**	191,968
Less cost of treasury stock, 4,933,063 and 4,946,771 shares in 2004 and 2003, respectively	**(104,771)**	(105,062)
Total shareholders' equity	**127,740**	131,912
Total liabilities and shareholders' equity	**$ 273,433**	$ 279,881

See accompanying notes.

Luby's, Inc.

Consolidated Statements of Operations (unaudited)

(In thousands except per share data)

	Quarter Ended	
	November 19, 2003	November 20, 2002
	(84 days)	*(84 days)*
SALES	**$ 70,027**	$ 72,832
COSTS AND EXPENSES:		
Cost of food	**19,047**	20,173
Payroll and related costs	**19,677**	22,096
Occupancy and other operating expenses	**22,738**	22,709
Depreciation and amortization	**4,032**	4,169
General and administrative expenses	**4,628**	5,343
Provision for asset impairments and restaurant closings (see Note 7)	**276**	(163)
	70,398	74,327
INCOME (LOSS) FROM OPERATIONS	**(371)**	(1,495)
Interest expense	**(2,273)**	(1,418)
Other income, net	**192**	2,900
Income (loss) before income taxes	**(2,452)**	(13)
Provision (benefit) for income taxes (see Note 4)	**-**	-
Income (loss) from continuing operations	**(2,452)**	(13)
Discontinued operations, net of taxes (see Note 7)	**(2,014)**	(3,088)
NET INCOME (LOSS)	**$ (4,466)**	$ (3,101)
Income (loss) per share - before discontinued operations basic and assuming dilution	**(0.11)**	(0.00)
Income (loss) per share - from discontinued operations basic and assuming dilution	**(0.09)**	(0.14)
Net income (loss) per share - basic and assuming dilution	**$ (0.20)**	$ (0.14)

See accompanying notes.

Luby's, Inc.

Consolidated Statements of Shareholders' Equity (unaudited)

(In thousands)

	Common Stock							
	Issued		Treasury		Paid-In	Deferred	Retained	Total Shareholders'
	Shares	Amount	Shares	Amount	Capital	Compensation	Earnings	Equity
BALANCE AT AUGUST 27, 2003	27,403	$ 8,769	(4,947)	$ (105,062)	$ 36,916	$ (679)	$ 191,968	$ 131,912
Net income (loss) for the year to date	**-**	**-**	**-**	**-**	**-**	**-**	**(4,466)**	**(4,466)**
Noncash executive compensation expense	**-**	**-**	**-**	**-**	**-**	**294**	**-**	**294**
Common stock issued under nonemployee director benefit plans	**-**	**-**	**14**	**291**	**(291)**	**-**	**-**	**-**
BALANCE AT NOVEMBER 19, 2003	**27,403**	**$ 8,769**	**(4,933)**	**$ (104,771)**	**$ 36,625**	**$ (385)**	**$ 187,502**	**$ 127,740**

See accompanying notes.

Luby's, Inc.

Consolidated Statements of Cash Flows (unaudited)

(In thousands)

	Quarter Ended	
	November 19, 2003	November 20, 2002
	(84 days)	*(84 days)*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	**$ (4,466)**	$ (3,101)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for (reversal of) asset impairments, net of gains on sale - discontinued operations	**411**	-
Provision for (reversal of) asset impairments and restaurant closings	**276**	(163)
Depreciation and amortization - discontinued operations	**-**	842
Depreciation and amortization - continuing operations	**4,032**	4,169
Amortization of discount on convertible subordinated notes	**568**	111
(Gain) loss on disposal of property held for sale	**-**	(2,735)
(Gain) loss on disposal of property, plant, and equipment	**32**	141
Noncash nonemployee directors' fees	**-**	53
Noncash executive compensation expense	**294**	302
Cash (used in) provided by operating activities before changes in operating assets and liabilities	**1,147**	(381)
Changes in operating assets and liabilities:		
(Increase) decrease in trade accounts and other receivables	**135**	(114)
(Increase) decrease in food and supply inventories	**(703)**	(766)
(Increase) decrease in prepaid expenses	**600**	134
(Increase) decrease in other assets	**23**	63
Increase (decrease) in accounts payable	**818**	1,256
Increase (decrease) in accrued claims and insurance, accrued expenses, and other liabilities	**(863)**	(350)
Increase (decrease) in deferred income taxes and other credits	**(33)**	(28)
Increase (decrease) in reserve for restaurant closings	**(383)**	(56)
Net cash (used in) provided by operating activities	**741**	(242)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in short-term investments	**195**	2,535
Proceeds from disposal of property held for sale	**2,829**	4,991
Purchases of property, plant, and equipment	**(1,386)**	(3,728)
Proceeds from disposal of property, plant, and equipment	**8**	-
Net cash provided by (used in) investing activities	**1,646**	3,798
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance (repayment) of debt, net	**(2,776)**	(4,941)
Net cash provided by (used in) financing activities	**(2,776)**	(4,941)
Net increase (decrease) in cash	**(389)**	(1,385)
Cash at beginning of period	**871**	1,584
Cash at end of period	**$ 482**	$ 199

See accompanying notes

Noncash activity:		
Accrual for (reversal of) purchases of property, plant, and equipment	$ 226	$ (91)

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements as are prepared for the Company's Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the quarter ended November 19, 2003, are not necessarily indicative of the results that may be expected for the fiscal year ended August 25, 2004.

The balance sheet included in this Form 10-Q dated August 27, 2003, has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. Therefore, these financial statements should be read in conjunction with the consolidated financial statements and footnotes included in Luby's Annual Report on Form 10-K for the year ended August 27, 2003.

Prior period results have been reclassified to show the retroactive effect of discontinued operations per the Company's business plan. Reclassification facilitates more meaningful comparability to the Company's current information. As stores are closed in the future and presented in discontinued operations, quarterly and annual financial amounts, where applicable, will be reclassified for further comparability.

Note 2. Accounting Period Change

In fiscal year 2002, the Company changed its reporting-period measurement from 12 calendar months to 13 four-week periods ending on the last Wednesday in August. Fiscal year 2002 began September 1, 2001, and ended on August 28, 2002. It contained 362 days, compared to 364 days in fiscal 2003. Fiscal 2004 will also contain 364 days.

Note 3. Short-Term Investments

The short-term investment balances of $20.3 million and $20.5 million as of November 19, 2003, and August 27, 2003, consisted primarily of money-market funds and time deposits.

As of November 19, 2003, approximately $2.3 million of the Company's short-term investments was also pledged as collateral for four separate letters of credit. There have been no draws upon these letters of credit.

Note 4. Income Tax

Following is a summarization of deferred income tax assets and liabilities as of the current quarter and prior fiscal year-end:

	November 19, 2003	August 27, 2003
	(In thousands)	
Net deferred long-term income tax liability and other credits	**$ (10,713)**	$ (10,579)
Other credits	**1,495**	1,523
Net deferred long-term income tax liability	**(9,218)**	(9,056)
Net deferred short-term income tax asset	**1,944**	1,777
Net deferred income tax liability	**$ (7,274)**	$ (7,279)

The tax effect of temporary differences results in the following deferred income tax assets and liabilities as of the current quarter and prior fiscal year-end:

	November 19, 2003	August 27, 2003
	(In thousands)	
Deferred income tax assets:		
Workers' compensation, employee injury, and general liability claims	**$ 2,389**	$ 2,429
Deferred compensation	**2,311**	2,283
Asset impairments and restaurant closure reserves	**18,316**	20,224
Net operating losses	**14,164**	11,086
Subtotal	**37,180**	36,022
Valuation allowance	**(12,461)**	(11,113)
Total deferred income tax assets	**24,719**	24,909
Deferred income tax liabilities:		
Depreciation and amortization	**29,335**	29,390
Other	**2,658**	2,798
Total deferred income tax liabilities	**31,993**	32,188
Net deferred income tax liability	**$ (7,274)**	$ (7,279)

The reconciliation of the benefit for income taxes to the expected income tax benefit from continuing operations computed using the statutory tax rate was as follows:

	November 19, 2003		November 20, 2002	
	Amount	**%**	Amount	%
	(In thousands and as a percent of pretax income)			
Normally expected income tax benefit	**$ (858)**	**(35.0)%**	$ (4)	(30.8)%
Jobs tax credits	**(38)**	**(1.5)**	(50)	(384.6)
Permanent and other differences	**253**	**10.3**	50	384.6
Valuation allowance	**643**	**26.2**	4	30.8
	$ -	**-%**	$ -	-%

The Company has generated a tax operating loss of approximately $8.8 million for the quarter ended November 19, 2003. The tax benefits for book purposes of $1.3 million and $11.1 million for the quarter ended November 19, 2003, and for the fiscal year ended August 27, 2003, respectively, were netted against a valuation allowance because loss carrybacks were exhausted with the fiscal 2002 tax filing, making the realization of loss carryforwards uncertain. Due to the Company's loss position, no federal income taxes were paid in the first quarters of fiscal 2004 or 2003.

The Company generated a tax operating loss carryforward of approximately $31.7 million for the fiscal year ended August 27, 2003, which will expire in 2023 if not utilized.

Historically, the Company has been periodically reviewed by the Internal Revenue Service. The Company is currently under review for the 2002, 2001, and 2000 fiscal years. Management believes that adequate provisions for income taxes have been reflected in the financial statements and is not aware of any significant exposure items.

Note 5. Property, Plant, and Equipment

The cost and accumulated depreciation and amortization of property, plant, and equipment at November 19, 2003, and August 27, 2003, together with the related estimated useful lives used in computing depreciation and amortization, were as follows:

	November 19, 2003	August 27, 2003	Estimated Useful Lives
	(In thousands)		
Land	**$ 55,238**	$ 55,259	—
Restaurant equipment and furnishings	**108,034**	108,183	3 to 15 years
Buildings	**189,898**	191,521	20 to 40 years
Leasehold and leasehold improvements	**21,893**	21,989	Term of leases
Office furniture and equipment	**11,019**	11,710	5 to 10 years
Transportation equipment	**552**	574	5 years
	386,634	389,236	
Less accumulated depreciation and amortization	**(172,616)**	(171,560)	
	$ 214,018	$ 217,676	

Note 6. Debt

Debt / Business Plan

During the mid-1990's, the Company entered into a revolving line of credit with a bank group. It was primarily used for financing long-term objectives, including capital acquisitions and a stock repurchase program. Capacity under that credit facility was fully exhausted in fiscal 2001, at which time the Company was unable to draw further advances under the agreement. Since then, existing management has financed its capital acquisitions and working capital needs through careful cash management and the provision of an additional $10 million in financing in fiscal 2001 from the Company's CEO and the COO.

Current management recognized the need to arrange financing that would better match long-term assets with the existing debt. Accordingly, early in the second quarter of fiscal 2003, the Company executed a commitment letter with a third-party lender for an $80 million loan to replace that amount of debt in the existing credit facility. Simultaneously, when the current bank group provided a waiver and amendment, it also added a stipulation that required the new $80 million financing be completed and funded by January 31, 2003. However, the Company was unable to finalize that financing arrangement because of changes in the proposed agreement terms that the Company believed were not in its best interest. This led to a default under the credit facility that the Company is currently focused on rectifying. Even though the lack of replacement financing caused a default, the Company was in compliance with its financial performance covenants at the end of the quarter, and no default in interest payments due under the credit facility has occurred. The existing bank group has taken no formal action other than to notify the Company that it reserves all of its rights and remedies.

Management actively communicated with the credit-facility bank group while it developed its business plan in fiscal 2003. The plan is focused on returning the Company to profitability. The Company also engaged the financial advisory firms of Morgan Joseph & Co. and ING Capital LLC ("Morgan-ING") to review the plan.

After thorough review of several strategic alternatives - including the business plan - and after consultation with the Morgan-ING advisors, the Company's Board of Directors approved the plan on March 29, 2003. Subsequent to Board approval, management initiated immediate implementation of the plan, which calls for closure of approximately 50 of the Company's operating stores. In cases where those properties are owned by the Company, the proceeds from the sale of the properties are being used to pay down bank debt under the existing agreement. The first 46 of those 50 restaurants were closed by the end of the first quarter of fiscal 2004. Most of the remaining locations are leased units that will close as soon as commercially feasible after negotiations with landlords or at the end of lease terms that expire in the near future.

With the assistance of Morgan-ING, the Company continues to have constructive discussions with its credit-facility lenders. In the meantime, the Company is focused on day-to-day operations and the implementation of its strategic plan. Initially, cash resources have been reduced pursuant to the current business plan, especially relative to lease settlements and termination costs. The Company used part of its fiscal 2002 federal income tax refund of $13.4 million to support cash needs during the initial stages of the plan.

Over a time span covering all of fiscal 2003 and 2004, the Company expects to report net losses from discontinued operations, including charges for impairment and store closures due to its decision to close the locations specified in the business plan. Including operating costs for all of fiscal 2003 and the first quarter of 2004, $32.6 million in discontinued operating activity has been incurred. Of that amount, $2.0 million was incurred in the first quarter of fiscal 2004.

For the remainder of fiscal 2004, the Company expects more carrying and settlement costs; however, it also expects that these amounts will ultimately be offset by certain property gains. The Company adjusts its property held for sale to the lower of cost or net realizable value. Relative to that process, while the Company had net book values that had to be written down, it also had net book values that could not be written up before their actual sale. The anticipated gains relate to those assets that could not be written up before the property disposals.

During the first quarter of fiscal 2004, the Company recorded noncash impairment charges of approximately $742,000, which were included in discontinued operations. Included in this amount was $456,000 related to a seafood property previously operated under a joint venture with WaterStreet, Inc. The joint venture was dissolved in November 1999, with the Company retaining ownership of the property. Initially, after the dissolution, that location was vacant. Then in November 2000, the location was leased to an unrelated third party. Subsequently, the Company decided to sell the property and entered into a contract to do so during the first quarter of fiscal 2004, with the sale being completed early in the second quarter.

The total impairment charges were reduced by $331,000 in gains on the sale of certain properties held for sale as part of the business plan. This resulted in net impairment charges within discontinued operations of $411,000. The Company also recorded the related fiscal year-to-date net operating results, allocated interest expense, employee termination costs, lease settlements, and basic carrying costs of the closed units in discontinued operations.

Credit-Facility Debt

At August 27, 2003, the Company had a credit-facility balance of $91.6 million with its bank group (a syndicate of four banks). In accordance with provisions of that credit facility, the Company paid the outstanding balance down by $2.8 million during the first quarter of fiscal 2004 from proceeds received from the sale of real and personal property. As a result, the balance was lowered to $88.8 million at the end of the first quarter. The interest rate was prime plus 4.0% and prime plus 1.5% at November 19, 2003, and November 20, 2002, respectively. The Company is current on all interest and fee payments due under the credit facility.

As of November 19, 2003, $213.8 million of the Company's total book value, or 78.2% of its total assets, including the Company's owned real estate, improvements, equipment, and fixtures, was pledged as collateral under the credit facility. Although the current lenders have reserved all of their rights and remedies as a result of the January 31, 2003, default - including the right to demand immediate repayment of the entire outstanding balance or the right to pursue foreclosure on the assets pledged as collateral - they have not announced any intention to take such action.

Subordinated Debt

On March 9, 2001, the Company's CEO and COO, Christopher J. Pappas and Harris J. Pappas, respectively, committed to lending the Company a total of $10 million in exchange for convertible subordinated notes that were funded in the fourth quarter of fiscal 2001. The notes, as formally executed, bore interest at LIBOR plus 2%, payable quarterly.

The subordinated notes include cross-default provisions that are tied to the Company's credit facility. The Company was notified of the declared default by the note holders just after the end of the third quarter of fiscal 2003. Also pursuant to the terms of the notes, it was determined that the quarterly interest payment made effective March 1, 2003, could not be retained by the note holders, who in turn forwarded the payment of approximately $84,000 to the bank group. That amount was applied to the principal of the credit facility after the end of fiscal 2003's third quarter. Furthermore, no principal or interest payments may be made to the subordinated note holders while the credit-facility debt is in default. This restriction in turn caused a second default under the subordinated notes. The note holders waived all defaults through May 19, 2003, yet they have reserved all of their rights and remedies associated with the debt. Effective May 20, 2003, the notes bear interest at 10% per year. Even if the Company's defaults are cured under the senior credit facility, continuation of the default with respect to the subordinated notes will continue to result in a default on the senior indebtedness under existing cross-default provisions.

The notes are convertible into the Company's common stock at $5.00 per share for 2.0 million shares at the option of the holders at any time after January 2, 2003, and prior to the stated redemption date. The per share market price of the Company's stock on the commitment date (as determined by the closing price on the New York Stock Exchange on the date of issue) was $7.34. The difference between the market price and strike price of $5.00, or $2.34 per share, multiplied by the 2.0 million convertible shares equaled approximately $4.7 million. Under the Company's adopted intrinsic value method, applicable accounting principles require that this amount, which represents the beneficial conversion feature, be recorded as both a component of paid-in capital and a discount from the $10 million subordinated note balance.

In accordance with certain provisions of the debt instruments, accrued interest may be converted, along with the notes, to common stock at $5.00 per share. As of the end of the first quarter of fiscal 2004, $680,000 remained as accrued interest on the subordinated notes.

Initially, the $4.7 million conversion feature, which excludes accrued interest, was amortized over the original ten-year term of the notes. The subordinated note defaults triggered an acceleration of the discount amortization over the remaining term of the senior debt, which is currently set to mature in October 2004. That shorter amortization time frame was determined to be appropriate as the notes are subordinate to the credit facility and, accordingly, no payoff of those notes could occur before the debt of the senior creditors is addressed.

The carrying value of the notes at November 19, 2003, net of the unamortized discount, was approximately $7.5 million. The comparative carrying value of the notes at August 27, 2003, was approximately $7.0 million.

Note 7. Impairment of Long-Lived Assets and Store Closings / Discontinued Operations

In accordance with the current business plan, which calls for the closure of approximately 50 operating stores, the Company had closed 46 of these stores as of November 19, 2003. One additional property, the prior joint venture seafood property mentioned previously, was disposed of after the end of the quarter.

The operating results of the 47 locations have been reclassified and reported as discontinued operations for all periods presented as required by Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (FAS 144), adopted by the Company in the first quarter of fiscal 2003. The following are the sales and pretax losses reported in discontinued operations for these stores:

	Quarter Ended	
	November 19, 2003	November 20, 2002
	(84 days)	*(84 days)*
	(In thousands)	
Sales	**$ 198**	$15,397
Pretax losses[a]	**(2,014)**	(3,088)

[a] Due to the Company's current loss position as explained in Note 4 above, its tax benefits for both quarters were entirely offset by valuation allowances. Accordingly, discontinued operations, net of taxes, as presented in the Consolidated Statements of Operations, equals the pretax loss amounts noted above.

The 2004 activity included net impairment charges of approximately $411,000, comprised of noncash impairments of $742,000 offset by gains on the sale of properties of $331,000.

During fiscal 2003, after the original designation of stores, two were removed from the list and replaced by two other locations. Specifically, one in Bossier City, Louisiana, and one in Houston, Texas, were neutrally exchanged for one location in San Antonio, Texas, and one in Lufkin, Texas. In early 2004, one other property - the prior joint-venture seafood location mentioned above - was adopted into the plan.

Pursuant to the business plan and expectations of its bank group, the Company is committed to applying the proceeds from the sales of closed restaurants to pay down its credit-facility debt. Of the total paid down in the first quarter of fiscal 2004, $2.8 million resulted from sales proceeds related to business plan assets. As of November 19, 2003, the Company also had 26 properties valued at $27.4 million in property held for sale, which also related to the business plan. Management therefore estimated the total amount related to the current quarter and future business plan disposals was the combined amount of $30.2 million.

In accordance with Emerging Issues Task Force (EITF) 87-24, "Allocation of Interest to Discontinued Operations," interest on debt that is required to be repaid as a result of a disposal transaction should be allocated to discontinued operations. Accordingly, the Company has reclassified approximately $501,000 and $586,000 in interest expense to that category in the first quarters of fiscal 2004 and 2003, respectively. The basis of the reclassifications was an application of the credit facility's historical effective interest rates to the portion of the estimated total debt that equals the amount related to current and future business plan disposals as explained in the previous paragraph.

The Company does not accrue employee settlement costs; these charges are expensed as incurred.

Relative to the business plan, as the Company has formally settled lease terminations or has reached definitive terms to terminate leases, the related charges have been recorded. For the quarter ended November 19, 2003, no lease exit costs associated with the business plan met this criteria and, consequently, were not accrued as of the quarter-end. Furthermore, the Company did not accrue future rental costs in instances where locations closed; however, management has the ability to sublease.

Fiscal 2004 Property Held for Sale

At November 19, 2003, the Company had a total of 32 properties valued at $30.6 million in property held for sale, including the 26 properties and $27.4 million mentioned in the previous section of this note. Of the 32 total properties, six - including all undeveloped land sites - related to prior disposal plans. The Company is actively marketing the locations currently classified in property held for sale and will use the proceeds to pay down debt as those transactions are completed.

Reserve for Restaurant Closings

At November 19, 2003, and August 27, 2003, the Company had a reserve for restaurant closings of $1.3 million and $1.7 million, respectively. The reserve balances as of both period-ends related to the 2001 asset disposal plan and were comprised entirely of estimated lease settlement costs. The settlement costs were accrued in accordance with EITF 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity," which was appropriate for disposal plans initiated before the Company's fiscal 2003 adoption of SFAS 146, "Accounting for Costs Associated with Exit or Disposal Activities."

The following is a summary of the amounts recognized as accrued expenses or accrual reductions together with cash payments made against such accruals for the first quarter ended November 19, 2003, under the fiscal year 2001 plan:

	Reserve Balance (2001 Disposal Plan) Lease Settlement Costs
	(In thousands)
As of August 27, 2003	$ 1,663
Additions (reductions)	**(48)**
Cash payments	**(335)**
As of November 19, 2003	**$ 1,280**

Note 8. Commitments and Contingencies

Officer Loans

In fiscal 1999, the Company guaranteed loans of approximately $1.9 million relating to purchases of Luby's stock by various officers of the Company pursuant to the terms of a shareholder-approved plan. Under the officer loan program, shares were purchased and funding was obtained from JPMorgan Chase Bank, one of the four members of the bank group that participate in the Company's credit facility. Per the original terms of the guaranteed loan agreements, these instruments only required annual interest to be paid by the individual debtors, with the entire principal balances due upon their respective maturity dates, which occur during the period from January through March of 2004, unless extended by the note holders.

At both November 19, 2003, and August 27, 2003, the notes had a combined outstanding balance of approximately $1.6 million. The underlying guarantee on these loans includes a cross-default provision. The Company received notice from JPMorgan Chase Bank that the default in the Company's credit facility led to a default in the officer loans. JPMorgan Chase Bank initially requested that the Company repurchase the notes; however, such action cannot be completed without comprehensive resolution with the entire bank group. On July 10, 2003, JPMorgan Chase Bank notified the Company that although it continues to reserve all rights and remedies, it has not elected to pursue those rights and remedies in order to allow further discussions among the bank group. This notice did not constitute a waiver. The Company is therefore working constructively with all members of the bank group in an effort to cure all defaults and satisfactorily meet each lender's expectations.

In the event of individual debtor default, the Company could be required to purchase the loans from JPMorgan Chase Bank, become holder of the notes, record the receivables, and pursue collection. The purchased Company stock has been and can be used by borrowers to satisfy a portion of their loan obligation. As of November 19, 2003, based on the market price on that day, approximately $332,000, or 20.6% of the note balances, could have been covered by stock, while approximately $1.3 million, or 79.4%, would have remained outstanding.

Off-Balance-Sheet Arrangements

The Company has no off-balance-sheet structured financing arrangements. The shareholder-approved guaranteed loans, as described above, were intended to encourage officer stock ownership. Under the terms of applicable SEC rules, the Company's obligation to repurchase the loans could be deemed a guarantee contract, which the SEC considers an off-balance-sheet arrangement. If the Company is required to purchase the loans, it would have to expend approximately $1.6 million to do so. The Company expects that the borrowers will fully repay the obligations. However, since management is currently unable to determine the individual ability of each borrower to pay the underlying debt in full, it is difficult to assess the potential effect on liquidity.

Pending Claims

The Company is presently, and from time to time, subject to pending claims and lawsuits arising in the ordinary course of business. In the opinion of management, the resolution of any pending legal proceedings will not have a material adverse effect on the Company's operations or consolidated financial position.

Surety Bonds and Letters of Credit

At November 19, 2003, surety bonds in the amount of $6.0 million have been issued as security for the payment of insurance obligations. On the balance sheet, the current portion of these obligations is included in accrued expenses and other liabilities, while the long-term portion is classified as accrued claims and insurance. Additionally, as mentioned in Note 2 above, the Company has collateralized four letters of credit with $2.3 million in short-term investments.

Note 9. Related Parties

Affiliate Services

The CEO and COO of the Company, Christopher J. Pappas and Harris J. Pappas, respectively, own two restaurant entities that may provide services to Luby's, Inc. as detailed in the Affiliate Services Agreement and the Master Sales Agreement. Under the terms of the Affiliate Services Agreement, the Pappas entities may provide accounting, architectural, and general business services. For the first quarter of fiscal 2004 and 2003, no services were provided relative to the Affiliate Services Agreement.

Under the terms of the Master Sales Agreement, the Pappas entities may provide specialized (customized) equipment fabrication and basic equipment maintenance, including stainless steel stoves, shelving, rolling carts, and chef tables. No costs were incurred under the Master Sales Agreement for the first quarter of fiscal 2004. The total cost under the Master Sales Agreement of custom-fabricated and refurbished equipment for the first quarter of fiscal 2003 was approximately $47,000. All amounts charged under the agreements through November 19, 2003, have been paid.

Operating Leases

In a separate contract from the Affiliate Services Agreement and the Master Sales Agreement, the Company entered into a three-year lease which commenced on June 1, 2001, and ends May 31, 2004. The leased property, referred to as the Houston Service Center, is used to accommodate the Company's own in-house repair and fabrication center. The amount paid by the Company pursuant to the terms of this lease was approximately $20,000 for the first quarters of both fiscal 2004 and 2003.

The Company previously leased a location from an unrelated third party. That location is used to house increased equipment inventories due to store closures under the business plan. The Company considered it more prudent to lease this location rather than to pursue purchasing a storage facility, as its strategy is to focus its capital expenditures on its operating restaurants. In a separate transaction, the third-party property owner sold the location to the Pappas entities during the fourth quarter of fiscal 2003, with the Pappas entities becoming the Company's landlord for that location effective August 1, 2003. The storage site complements the Houston Service Center with approximately 27,000 square feet of warehouse space at an approximate monthly rate of $0.21 per square foot.

In another separate contract, pursuant to the terms of a ground lease dated March 25, 1994, the Company paid rent to PHCG Investments for a Luby's restaurant the Company operated in Dallas, Texas, until that location was closed early in the third quarter of fiscal 2003. Christopher J. Pappas and Harris J. Pappas are general partners of PHCG Investments. Preceding the store's closure, the Company entered into a lease termination agreement with a third party unaffiliated with the Pappas entities. That agreement severed the Company's interest in the PHCG property in exchange for a payment of cash to the Company. The Company also obtained the right to remove fixtures and equipment from the premises, and it was released from any future obligations under the lease agreement. The closing of the transaction was completed during the third quarter of fiscal 2003, resulting in a gain of $735,000, and the gross proceeds were used to pay down debt. The amount paid by the Company pursuant to the terms of this lease before its termination was approximately $21,000 for the first quarter of fiscal 2003.

Affiliated rents paid for the Houston Service Center, the separate storage facility, and the Dallas property leases combined represented 3.4% and 3.5% of total rents for continuing operations for the first quarter of fiscal 2004 and 2003, respectively.

Subordinated Debt

As described in Note 6 in the section entitled *Subordinated Debt*, on March 9, 2001, the Company's CEO and COO, Christopher J. Pappas and Harris J. Pappas, respectively, committed to lending the Company a total of $10 million in exchange for convertible subordinated notes that were funded in the fourth quarter of fiscal 2001. The notes, as formally executed, bore interest at LIBOR plus 2%, payable quarterly.

The subordinated notes include cross-default provisions that are tied to the Company's credit facility. The Company was notified of the declared default by the note holders just after the end of the third quarter of fiscal 2003. Also pursuant to the terms of the notes, it was determined that the quarterly interest payment made effective March 1, 2003, could not be retained by the note holders, who in turn forwarded the payment of approximately $84,000 to the bank group. That amount was applied to the principal of the credit facility after the end of fiscal 2003's third quarter. Furthermore, no principal or interest payments may be made to the subordinated note holders while the credit-facility debt is in default. This restriction in turn caused a second default under the subordinated notes. The note holders waived all defaults through May 19, 2003, yet they have reserved all of their rights and remedies associated with the debt. Effective May 20, 2003, the notes bear interest at 10% per year. Even if the Company's defaults are cured under the senior credit facility, continuation of the default with respect to the subordinated notes will continue to result in a default on the senior indebtedness under existing cross-default provisions.

The notes are convertible into the Company's common stock at $5.00 per share for 2.0 million shares at the option of the holders at any time after January 2, 2003, and prior to the stated redemption date. The per share market price of the Company's stock on the commitment date (as determined by the closing price on the New York Stock Exchange on the date of issue) was $7.34. The difference between the market price and strike price of $5.00, or $2.34 per share, multiplied by the 2.0 million convertible shares equaled approximately $4.7 million. Under the Company's adopted intrinsic value method, applicable accounting principles require that this amount, which represents the beneficial conversion feature, be recorded as both a component of paid-in capital and a discount from the $10 million subordinated note balance.

In accordance with certain provisions of the debt instruments, accrued interest may be converted, along with the notes, to common stock at $5.00 per share. As of the end of the first quarter of fiscal 2004, $680,000 remained as accrued interest on the subordinated notes.

Initially, the $4.7 million conversion feature, which excludes accrued interest, was amortized over the original ten-year term of the notes. The subordinated note defaults triggered an acceleration of the discount amortization over the remaining term of the senior debt, which is currently set to mature in October 2004. That shorter amortization time frame was determined to be appropriate as the notes are subordinate to the credit facility and, accordingly, no payoff of those notes could occur before the debt of the senior creditors is addressed.

The carrying value of the notes at November 19, 2003, net of the unamortized discount, was approximately $7.5 million. The comparative carrying value of the notes at August 27, 2003, was approximately $7.0 million.

Board of Directors

Pursuant to the terms of a separate Purchase Agreement dated March 9, 2001, entered into by and among the Company, Christopher J. Pappas and Harris J. Pappas, the Company agreed to submit three persons designated by Christopher J. Pappas and Harris J. Pappas as nominees for election at the 2002 Annual Meeting of Shareholders. Messrs. Pappas designated themselves and Frank Markantonis as their nominees for directors, all of whom were subsequently elected. Christopher J. Pappas and Harris J. Pappas are brothers. As disclosed in the proxy statement for the January 31, 2003, annual meeting of shareholders, Frank Markantonis is an attorney whose principal client is Pappas Restaurants, Inc., an entity owned by Harris J. Pappas and Christopher J. Pappas.

Key Management Personnel

Ernest Pekmezaris, the Chief Financial Officer of the Company, is also the Treasurer of Pappas Restaurants, Inc. Compensation for the services provided by Mr. Pekmezaris to Pappas Restaurants, Inc. is paid entirely by that entity.

Peter Tropoli, the Senior Vice President-Administration of the Company, is an attorney who, from time to time, has provided litigation services to entities controlled by Christopher J. Pappas and Harris J. Pappas. Mr. Tropoli is the stepson of Frank Markantonis, who, as previously mentioned, is a director of the Company.

Paulette Gerukos, Director of Human Resources of the Company, is the sister-in-law of Harris J. Pappas, the Chief Operating Officer.

Note 10. Stock-Based Compensation

The Company accounts for its employee stock compensation plans using the intrinsic value method of accounting set forth in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and the related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock.

The following table illustrates the effect on net income (loss) and earnings (loss) per share if the Company had converted to the fair-value method of expensing stock options, as alternatively allowed under FAS 123:

	November 19, 2003	November 20, 2002
	(In thousands)	
Net (loss), as reported	**$ (4,466)**	$ (3,101)
Add: Stock-based employee compensation expense included in reported net (loss), net of related tax effects[a]	**294**	302
Deduct: Total stock-based employee compensation expense determined under fair-value-based method for all awards, net of related tax effects[a]	**(436)**	(1,019)
Pro forma net (loss)	**$ (4,608)**	(3,818)
Earnings per share:		
Basic and assuming dilution - as reported[b]	**$ (0.20)**	(0.14)
Basic and assuming dilution - pro forma[b]	**$ (0.21)**	(0.17)

[a] Income taxes have been offset by a valuation allowance. See Note 4 of Notes to Consolidated Financial Statements.

[b] As the Company had net losses for the quarters ended November 19, 2003, and November 20, 2002, loss per share assuming dilution equals basic earnings per share since potentially dilutive securities are antidilutive in loss periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements and footnotes for the first quarter ended November 19, 2003, and the audited financial statements filed on Form 10-K for the fiscal year ended August 27, 2003.

Overview

As of December 30, 2003, the Company operated 142 restaurants under the name "Luby's." These establishments are located in close proximity to retail centers, business developments, and residential areas throughout six states (two in Arizona, two in Arkansas, two in Louisiana, three in Oklahoma, one in Tennessee, and 132 in Texas). Of the 142 restaurants, 97 are at locations owned by the Company and 45 are on leased premises. Two of the restaurants primarily serve seafood, one is a steak buffet, four are full-time buffets, 22 are cafeteria-style restaurants with all-you-can-eat options, and 113 are traditional cafeterias.

Reclassification

Where applicable, prior period results have been reclassified to show the retroactive effect of discontinued operations per the new business plan. Reclassification facilitates more meaningful comparability to the Company's current information. As stores are closed in the future and presented in discontinued operations, quarterly and annual financial amounts, where applicable, will be reclassified for further comparability.

RESULTS OF OPERATIONS

Quarter ended November 19, 2003, compared to the quarter ended November 20, 2002

Sales decreased $2.8 million, or 3.9%, in the first quarter of fiscal 2004 compared to the first quarter of fiscal 2003. Of the total decline, $1.7 million was due to the closure of eight restaurants since August 28, 2002, that were not included in the business plan, and $1.5 million was due to a 2.2% decrease in same-store sales. These decreases were partially offset by the positive impact of the opening of two restaurants since August 28, 2002, which accounted for $396,000 in sales.

The cost of food decreased $1.1 million, or 5.6%, and as a percentage of sales decreased from 27.7% to 27.2% in the current quarter compared to the same period last year primarily due to more focus on cost control. Despite current increases in commodity food pricing, specifically related to the beef and dairy markets, the Company's food costs have experienced a decline. Targeted cost control programs and the ability to easily make changes to product offerings have allowed the Company to reduce these costs.

Payroll and related costs decreased $2.4 million, or 10.9%, and as a percentage of sales decreased from 30.3% to 28.1%. The decrease was due primarily to the Company's continued operational focus on labor efficiencies coupled with the effects of stores closed prior to the adoption of the business plan. Overall, improved labor deployments and efficiencies resulting from various Company initiatives to reduce labor costs have shown significant positive results.

Occupancy and other operating expenses were approximately equal to the prior year, with a slight increase of $29,000, or 0.1%.

Depreciation and amortization expense decreased $137,000, or 3.3%, due to fewer depreciable properties resulting from impairments and property sales.

General and administrative expenses decreased $715,000, or 13.4%. Several factors contributed to this decrease. Officers' salaries decreased principally due to fewer officers. Manager trainee salaries decreased due to fewer and smaller class sizes. Travel and moving costs decreased as a result of the business plan since less expenditures are required with fewer stores. These decreases were partially offset by consulting fees, which increased principally due to expenses incurred related to the debt refinancing.

The provision for asset impairments and restaurant closings increased by $439,000 primarily due to prior year adjustments related to lease settlements that were more favorable than originally expected.

Interest expense increased $855,000, or 60.3%, due primarily to an increase in the amortization of the discount on the subordinated debt, an increase in the effective interest rate on outstanding debt, and the payment of an extension fee on the outstanding line of credit.

Other income decreased by $2.7 million primarily due to gains on the sale of assets recognized in the prior year, which reflected the sale of two closed stores related to prior disposal plans.

No income tax benefit was recorded in the current quarter or prior year because the realization of loss carryforward utilization is uncertain. (See Note 4 of the Notes to Consolidated Financial Statements.)

The loss from discontinued operations decreased by $1.1 million principally due to reduced expenditures on closed locations related to the Company's two-year business plan in combination with a gain recorded from the sale of a previously closed store.

Relative to the 2001 closure plan, the Company had a reserve for restaurant closings of approximately $1.3 million and $1.7 million at November 19, 2003, and August 27, 2003, respectively. The reserves as of both periods-end were comprised entirely of lease termination costs, which the Company expects to settle by the end of the 2004 fiscal year.

EBITDA

The Company's operating performance is evaluated using several measures. One of those measures, EBITDA, is derived from the Income (Loss) From Operations GAAP measurement. EBITDA has historically been used by the Company's credit-facility lenders to measure compliance with certain financial debt covenants. The Company's credit-facility debt agreement defines EBITDA as the sum of operating income, plus nonrecurring, noncash charges which decrease operating income, plus depreciation and amortization, minus nonrecurring credits which are included in operating income. The agreement further specifies that EBITDA shall exclude the noncash portion of the CEO's and the COO's stock option compensation, cost of stock options with employees, accounting requirements for future store closings required by GAAP, and costs of closing a store location.

EBITDA increased by $1.4 million from the first quarter of fiscal 2003 to the first quarter of fiscal 2004. These net changes were due to various applicable reasons noted in the Results of Operations section above. Prior year amounts have been reclassified to conform to the current year presentation.

	Quarter Ended	
	November 19, 2003	November 20, 2002
	(84 days)	*(84 days)*
	(In thousands)	
Income (loss) from operations	**$ (371)**	$ (1,495)
Less excluded items:		
Provision for asset impairments and restaurant closings	**276**	(163)
Depreciation and amortization	**4,032**	4,169
Noncash executive compensation expense	**294**	302
EBITDA	**$ 4,231**	$ 2,813

While the Company and many in the financial community consider EBITDA to be an important measure of operating performance, it should be considered in addition to, but not as a substitute for or superior to, other measures of financial performance prepared in accordance with accounting principles generally accepted in the United States, such as operating income and net income. In addition, the Company's definition of EBITDA is not necessarily comparable to similarly titled measures reported by other companies.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Working Capital

Cash decreased by $389,000 from the end of the preceding fiscal year to November 19, 2003, primarily due to capital expenditures net of the decreased costs related to closed stores.

After taking into account the current classification of its senior and subordinated debt, the Company had a working capital deficit of $101.9 million as of November 19, 2003, compared to $103.3 million as of August 27, 2003. The decrease was primarily attributable to paydowns on the Company's senior credit facility net of capital expenditures and other operating costs. Excluding the reclassification of the credit-facility balance and subordinated notes explained in the *Debt* section below, the Company's working capital deficit increased $826,000. The increase in the deficit was primarily attributable to continued requirements to internally fund cash needs, including capital acquisitions.

Capital expenditures for fiscal 2004 are expected to approximate $11.5 million. Management continues to focus on improving the appearance, functionality, and sales at existing restaurants. These efforts also include, where feasible, remodeling certain locations to other dining concepts.

Debt / Business Plan

During the mid-1990's, the Company entered into a revolving line of credit with a bank group. It was primarily used for financing long-term objectives, including capital acquisitions and a stock repurchase program. Capacity under that credit facility was fully exhausted in fiscal 2001, at which time the Company was unable to draw further advances under the agreement. Since then, existing management has financed its capital acquisitions and working capital needs through careful cash management and the provision of an additional $10 million in financing in fiscal 2001 from the Company's CEO and the COO.

Current management recognized the need to arrange financing that would better match long-term assets with the existing debt. Accordingly, early in the second quarter of fiscal 2003, the Company executed a commitment letter with a third-party lender for an $80 million loan to replace that amount of debt in the existing credit facility. Simultaneously, when the current bank group provided a waiver and amendment, it also added a stipulation that required the new $80 million financing be completed and funded by January 31, 2003. However, the Company was unable to finalize that financing arrangement because of changes in the proposed agreement terms that the Company believed were not in its best interest. This led to a default under the credit facility that the Company is currently focused on rectifying. Even though the lack of replacement financing caused a default, the Company was in compliance with its financial performance covenants at the end of the quarter, and no default in interest payments due under the credit facility has occurred. The existing bank group has taken no formal action other than to notify the Company that it reserves all of its rights and remedies.

Management actively communicated with the credit-facility bank group while working on its business plan in fiscal 2003. The plan is focused on returning the Company to profitability. The Company also engaged the financial advisory firms of Morgan Joseph & Co. and ING Capital LLC ("Morgan-ING") to review the plan.

After thorough review of several strategic alternatives - including the business plan - and after consultation with the Morgan-ING advisors, the Company's Board of Directors approved the plan on March 29, 2003. Subsequent to Board approval, management initiated immediate implementation of the plan, which calls for closure of approximately 50 of the Company's operating stores. In cases where those properties are owned by the Company, the proceeds from the sale of the properties are being used to pay down bank debt under the existing agreement. The first 43 of those 50 restaurants were closed by the end of fiscal 2003. Most of the remaining locations are leased units that will close as soon as commercially feasible after negotiations with landlords or at the end of lease terms that expire in the near future.

With the assistance of Morgan-ING, the Company continues to have constructive discussions with its credit-facility lenders. In the meantime, the Company is focused on day-to-day operations and the implementation of its strategic plan. Initially, cash resources have been reduced pursuant to the current business plan, especially relative to lease settlements and termination costs. The Company used part of its fiscal 2002 federal income tax refund of $13.4 million to support cash needs during the initial stages of the plan.

Over a time span covering all of fiscal 2003 and 2004, the Company expects to report net losses from discontinued operations, including charges for impairment and store closures due to its decision to close the locations specified in the business plan. Including operating costs for all of fiscal 2003 and the first quarter of 2004, $32.6 million in discontinued operating activity has been incurred. Of that amount, $2.0 million was incurred in the first quarter of fiscal 2004.

For the remainder of fiscal 2004, the Company expects more carrying and settlement costs; however, it also expects that these amounts will ultimately be offset by certain property gains. The Company adjusts its property held for sale to the lower of cost or net realizable value. Relative to that process, while the Company had net book values that had to be written down, it also had net book values that could not be written up before their actual sale. The anticipated gains relate to those assets that could not be written up before the property disposals.

During the first quarter of fiscal 2004, the Company recorded noncash impairment charges of approximately $742,000, which were included in discontinued operations. Included in this amount was $456,000 related to a seafood property previously operated under a joint venture with WaterStreet, Inc. The joint venture was dissolved in November 1999, with the Company retaining ownership of the property. Initially, after the dissolution, that location was vacant. Then in November 2000, the location was leased to an unrelated third party. Subsequently, the Company decided to sell the property and entered into a contract to do so during the first quarter of fiscal 2004, with the sale being completed early in the second quarter.

The total impairment charges were reduced by $331,000 in gains on the sale of certain properties held for sale as part of the business plan. This resulted in net impairment charges within discontinued operations of $411,000. The Company also recorded the related fiscal year-to-date net operating results, allocated interest expense, employee termination costs, lease settlements, and basic carrying costs of the closed units in discontinued operations.

Credit-Facility Debt

At August 27, 2003, the Company had a credit-facility balance of $91.6 million with its bank group (a syndicate of four banks). In accordance with provisions of that credit facility, the Company paid the outstanding balance down by $2.8 million during the first quarter of fiscal 2004 from proceeds received from the sale of real and personal property. As a result, the balance was lowered to $88.8 million at the end of the first quarter. The interest rate was prime plus 4.0% and prime plus 1.5% at November 19, 2003, and November 20, 2002, respectively. The Company is current on all interest payments due under the credit facility.

As of November 19, 2003, $213.8 million of the Company's total book value, or 78.2% of its total assets, including the Company's owned real estate, improvements, equipment, and fixtures, was pledged as collateral under the credit facility. Although the current lenders have reserved all of their rights and remedies as a result of the January 31, 2003, default - including the right to demand immediate repayment of the entire outstanding balance or the right to pursue foreclosure on the assets pledged as collateral - they have not announced any intention to take such action.

Subordinated Debt

On March 9, 2001, the Company's CEO and COO, Christopher J. Pappas and Harris J. Pappas, respectively, committed to lending the Company a total of $10 million in exchange for convertible subordinated notes that were funded in the fourth quarter of fiscal 2001. The notes, as formally executed, bore interest at LIBOR plus 2%, payable quarterly.

The subordinated notes include cross-default provisions that are tied to the Company's credit facility. The Company was notified of the declared default by the note holders just after the end of the third quarter of fiscal 2003. Also pursuant to the terms of the notes, it was determined that the quarterly interest payment made effective March 1, 2003, could not be retained by the note holders, who in turn forwarded the payment of approximately $84,000 to the bank group. That amount was applied to the principal of the credit facility after the end of fiscal 2003's third quarter. Furthermore, no principal or interest payments may be made to the subordinated note holders while the credit-facility debt is in default. This restriction in turn caused a second default under the subordinated notes. The note holders waived all defaults through May 19, 2003, yet they have reserved all of their rights and remedies associated with the debt. Effective May 20, 2003, the notes bear interest at 10% per year. Even if the Company's defaults are cured under the senior credit facility, continuation of the default with respect to the subordinated notes will continue to result in a default on the senior indebtedness under existing cross-default provisions.

The notes are convertible into the Company's common stock at $5.00 per share for 2.0 million shares at the option of the holders at any time after January 2, 2003, and prior to the stated redemption date. The per share market price of the Company's stock on the commitment date (as determined by the closing price on the New York Stock Exchange on the date of issue) was $7.34. The difference between the market price and strike price of $5.00, or $2.34 per share, multiplied by the 2.0 million convertible shares equaled approximately $4.7 million. Under the Company's adopted intrinsic value method, applicable accounting principles require that this amount, which represents the beneficial conversion feature, be recorded as both a component of paid-in capital and a discount from the $10 million subordinated note balance.

In accordance with certain provisions of the debt instruments, accrued interest may be converted, along with the notes, to common stock at $5.00 per share. As of the end of the first quarter of fiscal 2004, $680,000 remained as accrued interest on the subordinated notes.

Initially, the $4.7 million conversion feature, which excludes accrued interest, was amortized over the original ten-year term of the notes. The subordinated note defaults triggered an acceleration of the discount amortization over the remaining term of the senior debt, which is currently set to mature in October 2004. That shorter amortization time frame was determined to be appropriate as the notes are subordinate to the credit facility and, accordingly, no payoff of those notes could occur before the debt of the senior creditors is addressed.

The carrying value of the notes at November 19, 2003, net of the unamortized discount, was approximately $7.5 million. The comparative carrying value of the notes at August 27, 2003, was approximately $7.0 million.

COMMITMENTS AND CONTINGENCIES

Officer Loans

In fiscal 1999, the Company guaranteed loans of approximately $1.9 million relating to purchases of Luby's stock by various officers of the Company pursuant to the terms of a shareholder-approved plan. Under the officer loan program, shares were purchased and funding was obtained from JPMorgan Chase Bank, one of the four members of the bank group that participate in the Company's credit facility. Per the original terms of the agreements, these instruments only required annual interest to be paid by the individual debtors, with the entire principal balances due upon their respective maturity dates, which occur during the period from January through March of 2004, unless extended by the note holders.

At both November 19, 2003, and August 27, 2003,the notes had a combined outstanding balance of approximately $1.6 million. The underlying guarantee on these loans includes a cross-default provision. The Company received notice from JPMorgan Chase Bank that the default in the Company's credit facility led to a default in the officer loans. JPMorgan Chase Bank initially requested that the Company repurchase the notes; however, such action cannot be completed without comprehensive resolution with the entire bank group. On July 10, 2003, JPMorgan Chase Bank notified the Company that although it continues to reserve all rights and remedies, it has not elected to pursue those rights and remedies in order to allow further discussions among the bank group. This notice did not constitute a waiver. The Company is therefore working constructively with all members of the bank group in an effort to cure all defaults and satisfactorily meet each lender's expectations.

In the event of individual debtor default, the Company could be required to purchase the loans from JPMorgan Chase Bank, become holder of the notes, record the receivables, and pursue collection. The purchased Company stock has been and can be used by borrowers to satisfy a portion of their loan obligation. As of November 19, 2003, based on the market price on that day, approximately $332,000, or 20.6% of the note balances, could have been covered by stock, while approximately $1.3 million, or 79.4%, would have remained outstanding.

Off-Balance-Sheet Arrangements

The Company has no off-balance-sheet structured financing arrangements. The shareholder-approved guaranteed loans, as described above, were intended to encourage officer stock ownership. Under the terms of applicable SEC rules, the Company's obligation to repurchase the loans could be deemed a guarantee contract, which the SEC considers an off-balance-sheet arrangement. If the Company is required to purchase the loans, it would have to expend approximately $1.6 million to do so. The Company expects that the borrowers will fully repay the obligations. However, since management is currently unable to determine the individual ability of each borrower to pay the underlying debt in full, it is difficult to assess the potential effect on liquidity.

AFFILIATE SERVICES

The Company entered into an Affiliate Services Agreement effective August 31, 2001, with two companies, Pappas Partners, L.P. and Pappas Restaurants, Inc., which are restaurant entities owned by Christopher J. Pappas and Harris J. Pappas. That agreement, as amended on July 23, 2002, limited the scope of expenditures therein to professional and consulting services. The Company completed this amendment due to a significant decline in the use of professional and consulting services from Pappas entities.

Additionally, on July 23, 2002, the Company entered into a Master Sales Agreement with the same Pappas entities. Through this agreement, the Company contractually separated the design and fabrication of equipment and furnishings from the Affiliate Services Agreement. The Master Sales Agreement covers the costs incurred for modifications to existing equipment, as well as custom fabrication, including stainless steel stoves, shelving, rolling carts, and chef tables. These items are custom-designed and built to fit the designated kitchens and are also engineered to give a longer service life than comparably manufactured equipment.

The pricing of equipment, repair, and maintenance is set and evaluated periodically and is considered by management to be primarily at or below market for comparable goods and services. To assist in periodically monitoring pricing of the transactions associated with the Master Sales Agreement and the Affiliate Services Agreement, the Finance and Audit Committee of the Company's Board of Directors has periodically in the past used independent valuation consultants.

As part of the affiliation with the Pappas entities, the Company leases a facility, the Houston Service Center, in which Luby's has installed a centralized restaurant service center to support field operations. The building at this location has 22,253 square feet of warehouse space and 5,664 square feet of office space. It is leased from the Pappas entities by the Company at an approximate monthly rate of $0.24 per square foot. From this center, Luby's repair and service teams are dispatched to the Company's restaurants when facility or equipment maintenance and servicing are needed. The facility is also used for repair and storage of new and used equipment.

The Company previously leased a location from an unrelated third party. That location is used to house increased equipment inventories due to store closures under the business plan. The Company considered it more prudent to lease this location rather than to pursue purchasing a storage facility, as its strategy is to focus its capital expenditures on its operating restaurants. In a separate transaction, the third-party property owner sold the location to the Pappas entities during the fourth quarter of fiscal 2003, with the Pappas entities becoming the Company's landlord for that location effective August 1, 2003. The storage site complements the Houston Service Center with approximately 27,000 square feet of warehouse space at an approximate monthly rate of $0.21 per square foot.

In another separate contract, pursuant to the terms of a ground lease dated March 25, 1994, the Company paid rent to PHCG Investments for a Luby's restaurant the Company operated in Dallas, Texas, until that location was closed early in the third quarter of fiscal 2003. Christopher J. Pappas and Harris J. Pappas are general partners of PHCG Investments. Preceding the store's closure, the Company entered into a lease termination agreement with a third party unaffiliated with the Pappas entities. That agreement severed the Company's interest in the PHCG property in exchange for a payment of cash to the Company. The Company also obtained the right to remove fixtures and equipment from the premises, and it was released from any future obligations under the lease agreement. The closing of the transaction was completed during the third quarter of fiscal 2003, resulting in a gain of $735,000, and the gross proceeds were used to pay down debt. The amount paid by the Company pursuant to the terms of this lease before its termination was approximately $21,000 for the first quarter of fiscal 2003.

Affiliated rents paid for the Houston Service Center, the separate storage facility, and the Dallas property leases combined represented 3.4% and 3.5% of total rents for continuing operations for the first quarter of fiscal 2004 and fiscal 2003, respectively.

The following compares current and prior first fiscal quarter charges incurred under the Master Sales Agreement, the Affiliate Services Agreement, and affiliated property leases to the Company's total capital expenditures, as well as relative general and administrative expenses and occupancy and other operating expenses included in continuing operations:

	Quarter Ended	
	November 19, 2003	November 20, 2002
	(84 days)	*(84 days)*
	(In thousands)	
AFFILIATED COSTS INCURRED:		
General and administrative expenses - professional services	**$ -**	$ -
Capital expenditures - custom-fabricated and refurbished equipment	**-**	47
Occupancy and other operating expenses, including property leases	**39**	44
Total	**$ 39**	$ 91
RELATIVE TOTAL COMPANY COSTS:		
General and administrative expenses	**$ 4,628**	$ 5,343
Capital expenditures	**1,386**	3,728
Occupancy and other operating expenses	**22,738**	22,709
Total	**$ 28,752**	$ 31,780
AFFILIATED COSTS INCURRED AS A PERCENTAGE OF RELATIVE TOTAL COMPANY COSTS:		
Quarter to date	**0.14%**	0.29%
Inception to date	**0.22%**	

TRENDS AND UNCERTAINTIES

Same-Store Sales

The restaurant business is highly competitive with respect to food quality, concept, location, price, and service. The Company has experienced declining same-store sales each year since 1996 as a result of initiatives which were subsequently determined to be unsuccessful, as well as increased industry-wide competition. The Company competes with a large number of other restaurants, many of which have significant financial resources. Management believes the Company's success will depend largely on its ability to execute new strategies, including those stemming from its business plan; optimize financial resources; and quickly respond to changes in consumer preferences, as well as to general economic conditions.

The following shows the same-store sales change for comparative historical quarters:

2004	2003				2002			
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(2.2)%	(2.4)%	(3.2)%	(0.6)%	(5.1)%	(13.0)%	(13.2)%	(8.6)%	(2.7)%

The first quarter of fiscal 2002 includes September 11, 2001. In the third and fourth quarters of fiscal 2002, the Company was able to maintain its comparative cash flow level with declining sales by lowering operating costs. Even with national economic issues, such as continued concerns about domestic terrorism and a military offensive overseas, there was less quarterly same-store sales variability in fiscal 2003 than in the prior fiscal year. In early fiscal 2004, the Company chose to bundle more meals at higher price points than experienced during the prior year all-you-can-eat promotions. Management continues to evaluate the balance of pricing and customer patronage.

The Company may find additional opportunities to lower costs; however, continued declines in net same-store sales could reduce operating cash flow. If severe declines in cash flow were to develop without offsetting reductions in uses of cash, such as capital expenditures, the Company's liquidity, the current status of the Company's credit facility, and the ability of the Company to refinance its indebtedness could be further impacted. As a possible result, the current lenders may choose to terminate the credit facility, accelerate the maturity of any outstanding obligation under that facility, and pursue foreclosure on assets pledged as collateral.

Existing Programs

In addition to the initiatives referred to in other sections of this report, listed below are a number of programs the Company launched after March 2001 that are intended to address the decline in total and same-store sales, while prudently managing costs and increasing overall profitability:

- Food excellence;
- Service excellence;
- Labor efficiency and cost control;
- Emphasis on value, including bundling and/or all-you-can-eat promotions;
- Increased emphasis on employee training and development;
- Targeted marketing, especially directed at families;
- Closure of certain underperforming restaurants;
- New concept conversions; and
- Continued emphasis on in-house safety training, accident prevention, and claims management.

During the third quarter of fiscal 2003, the Company initiated a new two-year business plan that calls for the closure of approximately 50 underperforming restaurants, three of which occurred during the first quarter of fiscal 2004. Under the new plan, whereby approximately 140 locations will remain in operation, the primary focus will be on stores in the Texas markets. At these locations, the existing programs mentioned above will continue to be emphasized.

Impairment

Statement of Financial Accounting Standards (SFAS) 144 requires the Company to review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company considers a history of operating losses or negative cash flows and unfavorable changes in market conditions to be its main indicators of potential impairment. Assets are generally evaluated for impairment at the restaurant level. If a restaurant does not meet its financial investment objectives or continues to incur negative cash flows or operating losses, an impairment charge may be recognized in future periods.

Insurance and Claims

Workers' compensation and employee injury claims expense decreased in comparison with the prior fiscal year due to improved cost control, safety training and accident prevention efforts, as well as the management of new claims in-house. Actual claims settlements and expenses may differ from estimated loss provisions. The Company cannot make any assurances as to the ultimate level of claims under the in-house safety program or whether declines in incidence of claims as well as claims costs experienced under the program will continue in future periods.

The Company may be the subject of claims or litigation from guests and employees alleging injuries as a result of its operations. In addition, unfavorable publicity from such allegations could have an adverse impact on financial results, regardless of their validity or ultimate outcome.

Minimum Wage and Labor Costs
From time to time, the U.S. Congress considers an increase in the federal minimum wage. The restaurant industry is intensely competitive, and in such case, the Company may not be able to transfer all of the resulting increases in operating costs to its guests in the form of price increases. In addition, since the Company's business is labor-intensive, shortages in the labor pool or other inflationary pressure could increase labor costs.

CRITICAL ACCOUNTING POLICIES

The Company has identified the following policies as critical to its business and the understanding of its results of operations. The Company believes it is improbable that materially different amounts would be reported relating to the accounting policies described below if other acceptable approaches were adopted. However, the application of these accounting policies, as described below, involve the exercise of judgment and use of assumptions as to future uncertainties; therefore, actual results could differ from estimates generated from their use.

Income Taxes
The Company records the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carrybacks and carryforwards. The Company periodically reviews the recoverability of tax assets recorded on the balance sheet and provides valuation allowances as management deems necessary. Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. Historically, the Company has been periodically reviewed by the Internal Revenue Service. The Company is currently under review for the 2002, 2001, and 2000 fiscal years.

Impairment of Long-Lived Assets
The Company periodically evaluates long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing impairment reviews of such restaurants, the Company estimates future cash flows expected to result from the use of the asset and the possible residual value associated with its eventual disposition. The estimates of future cash flows, based on reasonable and supportable assumptions and projections, require management's subjective judgments. The time periods for estimating future cash flows is often lengthy, which increases the sensitivity to assumptions made. Depending on the assumptions and estimates used, the estimated future cash flows projected in the evaluation of long-lived assets can vary within a wide range of outcomes. The Company considers the likelihood of possible outcomes in determining the best estimate of future cash flows.

Property Held for Sale
The Company also periodically reviews long-lived assets against its plans to retain or ultimately dispose of properties. If the Company decides to dispose of a property, it will be moved to property held for sale and actively marketed. Property held for sale is stated at the lower of cost or estimated net realizable value. The net realizable value is generally estimated by management based upon the specific circumstance of each location. The Company will periodically measure and analyze its estimates against third-party appraisals.

Insurance and Claims
The Company periodically reviews its workers' compensation and general liability reserves to ensure reasonableness. In fiscal 2001, the Company initiated an in-house safety and claims program focused on safety training and rigorous scrutiny of new claims, which has reduced costs significantly. Consistent with the prior year, the Company's liability is based upon estimates obtained from both an actuarial firm and internal risk management staff. Assumptions and judgments are used in evaluating these costs. The possibility exists that future claims-related liabilities could increase due to unforeseen circumstances.

Stock-Based Compensation
The Company accounts for its employee stock compensation plans using the intrinsic value method of accounting set forth in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and the related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock.

INFLATION

The Company's policy is to maintain stable menu prices without regard to seasonal variations in food costs. General increases in costs of food, wages, supplies, and services make it necessary for the Company to increase its menu prices from time to time. To the extent prevailing market conditions allow, the Company intends to adjust menu prices to maintain profit margins.

FORWARD-LOOKING STATEMENTS

The Company wishes to caution readers that various factors could cause its actual financial and operational results to differ materially from those indicated by forward-looking statements made from time to time in news releases, reports, proxy statements, registration statements, and other written communications (including the preceding sections of this Management's Discussion and Analysis), as well as oral statements made from time to time by representatives of the Company. Except for historical information, matters discussed in such oral and written communications are forward-looking statements that involve risks and uncertainties, including but not limited to general business conditions; the impact of competition; the success of operating initiatives; changes in the cost and supply of food, labor, and other operating expenses; the seasonality of the Company's business, taxes, inflation, and governmental regulations; and the cooperation of the Company's lenders and the availability of credit; as well as other risks and uncertainties disclosed in periodic reports on Form 10-K and Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in interest rates affecting its variable-rate debt. As of November 19, 2003, $88.8 million, the total amount of debt subject to interest rate fluctuations, was outstanding under its credit facility at prime plus 4.0%. Assuming a consistent level of debt, a 1% change in interest rates effective from the beginning of the year would result in an increase or decrease in the quarter's interest expense of $205,000 and annual interest expense of $888,000. Although the Company is not currently using interest rate swaps, it has previously used and may in the future use these instruments to manage cash flow risk on a portion of its variable-rate debt.

Item 4. Controls and Procedures

In fiscal 2003, the Company established an internal Disclosure Committee. The President and CEO, as well as the CFO, with the assistance of the committee, maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. This collective group accumulates and reviews this information, as appropriate, to allow timely decisions regarding required disclosure, applying its judgment in assessing the costs and benefits of such controls and procedures which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. The Company's President and CEO and the CFO participated and provided input into this process. Based upon the foregoing, these senior officers concluded that as of November 19, 2003, the Company's disclosure controls and procedures were effective in timely alerting them to material information relating to the Company required to be disclosed.

There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the President and CEO and the CFO carried out their evaluation.

Part II - OTHER INFORMATION

Item 3. Defaults Upon Senior Securities

During the second quarter of fiscal 2003, the Company sought $80 million in replacement debt with a new third-party lender. In a waiver and credit-facility amendment also completed in the second quarter, the current credit-facility lenders included requirements that the $80 million financing be completed by January 31, 2003. Due to unacceptable changes in the terms of the new third-party financing, the new loan transaction could not be completed. This resulted in a default in the credit facility and caused cross-defaults in the officer loans guaranteed by the Company and held by one of the financial institutions participating in the Company's credit facility, as well as in the Company's subordinated debt held by the Company's CEO and COO.

Relative to the Company's senior debt under its credit facility, the Company is not in default of either its normal periodic financial covenants or with interest payment requirements. During the third quarter of fiscal 2003, the bank group formally reserved all of its rights and remedies associated with the credit facility, while the financial institution that funded the officer loans has requested that the Company repurchase the notes. However, use of the Company's cash resources to acquire the notes cannot be completed without consultation and approval by the entire bank group. The Company is therefore working constructively with all members of the bank group in an effort to cure both defaults and satisfactorily meet lender expectations.

The Company is prohibited from paying principal or interest on the subordinated notes while the senior debt is in default. This caused an additional default on the subordinated notes. The subordinated note holders have therefore formally reserved all of their rights and remedies associated with this debt.

With the assistance of financial advisors, the Company's Board of Directors approved a new two-year business plan on March 29, 2003. That plan is intended to return the Company to profitability and reduce debt, while developing and implementing additional financing options acceptable to its current lenders.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

The following exhibits are filed as a part of this Report:

3(a) Certificate of Incorporation of Luby's, Inc. as currently in effect (filed as Exhibit 3(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999, and incorporated herein by reference).

3(b) Bylaws of Luby's, Inc. as currently in effect (filed as Exhibit 3(c) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1998, and incorporated herein by reference).

4(a) Description of Common Stock Purchase Rights of Luby's Cafeterias, Inc., in Form 8-A (filed April 17, 1991, effective April 26, 1991, File No. 1-8308, and incorporated herein by reference).

4(b) Amendment No. 1 dated December 19, 1991, to Rights Agreement dated April 16, 1991 (filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 1991, and incorporated herein by reference).

4(c) Amendment No. 2 dated February 7, 1995, to Rights Agreement dated April 16, 1991 (filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1995, and incorporated herein by reference).

4(d) Amendment No. 3 dated May 29, 1995, to Rights Agreement dated April 16, 1991 (filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1995, and incorporated herein by reference).

4(e) Amendment No. 4 dated March 8, 2001, to Rights Agreement dated April 16, 1991 (filed as Exhibit 99.1 to the Company's Report on Form 8-A12B/A on March 22, 2001, and incorporated herein by reference).

4(f) Credit Agreement dated February 27, 1996, among Luby's Cafeterias, Inc., Certain Lenders, and NationsBank of Texas, N.A. (filed as Exhibit 4(e) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 1996, and incorporated herein by reference).

4(g) First Amendment to Credit Agreement dated January 24, 1997, among Luby's Cafeterias, Inc., Certain Lenders, and NationsBank of Texas, N.A. (filed as Exhibit 4(f) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).

4(h) Second Amendment to Credit Agreement dated July 3, 1997, among Luby's Cafeterias, Inc., Certain Lenders, and NationsBank of Texas, N.A. (filed as Exhibit 4(i) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1997, and incorporated herein by reference).

4(i) Third Amendment to Credit Agreement dated October 27, 2000, among Luby's, Inc., Certain Lenders, and Bank of America, N.A. (filed as Exhibit 4(j) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2000, and incorporated herein by reference).

4(j) Fourth Amendment to Credit Agreement dated July 9, 2001, among Luby's, Inc., Bank of America, N.A. and other creditors of its bank group (filed as Exhibit 4(l) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(k) Deed of Trust, Assignment, Security Agreement, and Financing Statement dated July 2001, executed as part of the Fourth Amended to Credit Agreement (filed as Exhibit 4(m) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(l) Subordination and Intercreditor Agreement dated June 29, 2001, between Harris J. Pappas and Christopher J. Pappas, Bank of America, N.A. Agreement [as the bank group agent], and Luby's, Inc. (filed as Exhibit 4(n) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(m) Convertible Subordinated Promissory Note dated June 29, 2001, between Christopher J. Pappas and Luby's, Inc. in the amount of $1,500,000 (filed as Exhibit 4(o) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(n) Convertible Subordinated Promissory Note dated June 29, 2001, between Harris J. Pappas and Luby's, Inc. in the amount of $1,500,000 (filed as Exhibit 4(p) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(o) Convertible Subordinated Promissory Note dated June 29, 2001, between Christopher J. Pappas and Luby's, Inc. in the amount of $3,500,000 (filed as Exhibit 4(q) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(p) Convertible Subordinated Promissory Note dated June 29, 2001, between Harris J. Pappas and Luby's, Inc. in the amount of $3,500,000 (filed as Exhibit 4(r) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(q) Fifth Amendment to Credit Agreement dated December 5, 2001, among Luby's, Inc., Bank of America, N.A. and other creditors of its bank group (filed as Exhibit 4(s) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).

4(r) Sixth Amendment to Credit Agreement dated November 25, 2002, by and among Luby's, Inc., Bank of America, N.A. and other creditors of its bank group (filed as Exhibit 4(t) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(a) Management Incentive Stock Plan of Luby's Cafeterias, Inc. (filed as Exhibit 10(i) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1989, and incorporated herein by reference).*

10(b) Amendment to Management Incentive Stock Plan of Luby's Cafeterias, Inc. adopted January 14, 1997 (filed as Exhibit 10(k) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).*

10(c) Nonemployee Director Deferred Compensation Plan of Luby's Cafeterias, Inc. adopted October 27, 1994 (filed as Exhibit 10(g) to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 1994, and incorporated herein by reference).*

10(d) Amendment to Nonemployee Director Deferred Compensation Plan of Luby's Cafeterias, Inc. adopted January 14, 1997 (filed as Exhibit 10(m) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).*

10(e) Amendment to Nonemployee Director Deferred Compensation Plan of Luby's Cafeterias, Inc. adopted March 19, 1998 (filed as Exhibit 10(o) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1998, and incorporated herein by reference).*

10(f) Amended and Restated Nonemployee Director Stock Option Plan of Luby's, Inc. approved by the shareholders of Luby's, Inc. on January 14, 2000 (filed as Exhibit 10(j) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2000, and incorporated herein by reference).*

10(g) Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan dated May 30, 1996 (filed as Exhibit 10(j) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1996, and incorporated herein by reference).*

10(h) Amendment to Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan adopted January 14, 1997 (filed as Exhibit 10(r) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).*

10(i) Amendment to Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan adopted January 9, 1998 (filed as Exhibit 10(u) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1998, and incorporated herein by reference).*

10(j) Amendment to Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan adopted May 21, 1999 (filed as Exhibit 10(q) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999, and incorporated herein by reference.)*

10(k) Severance Agreement between Luby's, Inc. and Barry J.C. Parker dated December 19, 2000 (filed as Exhibit 10(r) to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2000, and incorporated herein by reference.)*

10(l) Luby's Incentive Stock Plan adopted October 16, 1998 (filed as Exhibit 10(cc) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1998, and incorporated herein by reference).*

10(m) Form of Change in Control Agreement entered into between Luby's, Inc. and each of its Senior Vice Presidents as of January 8, 1999 (filed as Exhibit 10(aa) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1999, and incorporated herein by reference).*

10(n) Luby's, Inc. Deferred Compensation Plan effective June 1, 1999 (filed as Exhibit 10(cc) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999, and incorporated herein by reference).*

10(o) Registration Rights Agreement dated March 9, 2001, by and among Luby's, Inc., Christopher J. Pappas, and Harris J. Pappas (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).

10(p) Purchase Agreement dated March 9, 2001, by and among Luby's, Inc. Harris J. Pappas, and Christopher J. Pappas (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).

10(q) Employment Agreement dated March 9, 2001, between Luby's, Inc. and Christopher J. Pappas (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).*

10(r) Employment Agreement dated March 9, 2001, between Luby's, Inc. and Harris J. Pappas (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).*

10(s) Luby's, Inc. Incentive Bonus Plan for Fiscal 2001 (filed as Exhibit 10(z) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2000, and incorporated herein by reference).*

10(t) Luby's, Inc. Stock Option granted to Christopher J. Pappas on March 9, 2001 (filed as Exhibit 10(w) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).*

10(u) Luby's, Inc. Stock Option granted to Harris J. Pappas on March 9, 2001 (filed as Exhibit 10(x) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).*

10(v) Affiliate Services Agreement dated August 31, 2001, by and among Luby's, Inc., Christopher J. Pappas, Harris J. Pappas, Pappas Restaurants, L.P., and Pappas Restaurants, Inc. (filed as Exhibit 10(y) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, refiled as Exhibit 10(y) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 13, 2002, to include signature reference and an exhibit that were inadvertently omitted, and incorporated herein by reference).

10(w) Ground Lease for a cafeteria site dated March 25, 1994, by and between Luby's Cafeterias, Inc. and PHCG Investments, as amended by Lease Amendment dated July 6, 1994 (filed as Exhibit 10(z) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).

10(x) Lease Agreement dated June 1, 2001, by and between Luby's, Inc. and Pappas Restaurants, Inc. (filed as Exhibit 10(aa) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).

10(y) Final Severance Agreement and Release between Luby's, Inc. and Alan M. Davis dated July 20, 2001 (filed as Exhibit 10(bb) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference). While in search for new executive management, the Company entered into an employment agreement with Mr. Davis in January 2001. The value of that one-year contract was a year's salary upon termination. After new management was secured, the Company finalized the exhibited agreement that provides for the payment of monthly consulting fees to Mr. Davis until July 2002, but releases the Company from all prior employment commitments.*

10(z) Consultant Agreement between Luby's Restaurants Limited Partnership and Alan M. Davis dated July 20, 2001 (filed as Exhibit 10(cc) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).*

10(aa) Luby's, Inc. Amended and Restated Nonemployee Director Phantom Stock Plan effective September 28, 2001 (filed as Exhibit 10(dd) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 13, 2002, and incorporated herein by reference).*

10(bb) Final Severance Agreement and Release between Luby's, Inc. and S. Darrell Wood effective July 28, 2002 (filed as Exhibit 10(ee) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).*

10(cc) Consultant Agreement dated August 30, 2002, between Luby's Restaurants Limited Partnership and S. Darrell Wood (filed as Exhibit 10(ff) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).*

10(dd) Form of Indemnification Agreement entered into between Luby's, Inc. and each member of its Board of Directors initially dated July 23, 2002 (filed as Exhibit 10(gg) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(ee) Amended and Restated Affiliate Services Agreement dated July 23, 2002, by and among Luby's, Inc., Pappas Restaurants, L.P., and Pappas Restaurants, Inc. (filed as Exhibit 10(hh) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(ff) Master Sales Agreement dated July 23, 2002, by and among Luby's, Inc., Pappas Restaurants, L.P., and Pappas Restaurants, Inc. and Procedure adopted by the Finance and Audit Committee of the Board of Directors on July 23, 2002, pursuant to Section 2.3 of the Master Sales Agreement (filed as Exhibit 10(ii) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(gg) Lease Agreement dated October 15, 2002, by and between Luby's, Inc. and Rush Truck Centers of Texas, L.P. and Amendment dated August 1, 2003, by and between Luby's, Inc. and Pappas Restaurants, Inc. (filed as Exhibit 10(gg) to the Company's Annual Report on Form 10-k for the fiscal year ended August 27, 2003, and incorporated herein by reference).

11 Weighted-average shares used in the recomputation of per share earnings in Note 15 of the Consolidated Notes to Financial Statements.

31 Certifications by the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certifications by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*Denotes management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K.

Current Report on Form 8-K November 13, 2003, reporting under Item 12 - the issuance of a press release on November 13, 2003, announcing fiscal 2003 fourth-quarter and year-end results.

Current Report on Form 8-K dated November 14, 2003, reporting under Item 12 - the issuance of a press release on November 14, 2003, correcting a classification error in the earnings release dated November 13, 2003.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LUBY'S, INC.
(Registrant)

Date: December 30, 2003	By: /s/Christopher J. Pappas Christopher J. Pappas President and Chief Executive Officer
Date: December 30, 2003	By: /s/Ernest Pekmezaris Ernest Pekmezaris Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

The following exhibits are filed as a part of this Report:

3(a) Certificate of Incorporation of Luby's, Inc. as currently in effect (filed as Exhibit 3(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999, and incorporated herein by reference).

3(b) Bylaws of Luby's, Inc. as currently in effect (filed as Exhibit 3(c) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1998, and incorporated herein by reference).

4(a) Description of Common Stock Purchase Rights of Luby's Cafeterias, Inc., in Form 8-A (filed April 17, 1991, effective April 26, 1991, File No. 1-8308, and incorporated herein by reference).

4(b) Amendment No. 1 dated December 19, 1991, to Rights Agreement dated April 16, 1991 (filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 1991, and incorporated herein by reference).

4(c) Amendment No. 2 dated February 7, 1995, to Rights Agreement dated April 16, 1991 (filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1995, and incorporated herein by reference).

4(d) Amendment No. 3 dated May 29, 1995, to Rights Agreement dated April 16, 1991 (filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1995, and incorporated herein by reference).

4(e) Amendment No. 4 dated March 8, 2001, to Rights Agreement dated April 16, 1991 (filed as Exhibit 99.1 to the Company's Report on Form 8-A12B/A on March 22, 2001, and incorporated herein by reference).

4(f) Credit Agreement dated February 27, 1996, among Luby's Cafeterias, Inc., Certain Lenders, and NationsBank of Texas, N.A. (filed as Exhibit 4(e) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 1996, and incorporated herein by reference).

4(g) First Amendment to Credit Agreement dated January 24, 1997, among Luby's Cafeterias, Inc., Certain Lenders, and NationsBank of Texas, N.A. (filed as Exhibit 4(f) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).

4(h) Second Amendment to Credit Agreement dated July 3, 1997, among Luby's Cafeterias, Inc., Certain Lenders, and NationsBank of Texas, N.A. (filed as Exhibit 4(i) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1997, and incorporated herein by reference).

4(i) Third Amendment to Credit Agreement dated October 27, 2000, among Luby's, Inc., Certain Lenders, and Bank of America, N.A. (filed as Exhibit 4(j) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2000, and incorporated herein by reference).

4(j) Fourth Amendment to Credit Agreement dated July 9, 2001, among Luby's, Inc., Bank of America, N.A. and other creditors of its bank group (filed as Exhibit 4(l) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(k) Deed of Trust, Assignment, Security Agreement, and Financing Statement dated July 2001, executed as part of the Fourth Amended to Credit Agreement (filed as Exhibit 4(m) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(l) Subordination and Intercreditor Agreement dated June 29, 2001, between Harris J. Pappas and Christopher J. Pappas, Bank of America, N.A. Agreement [as the bank group agent], and Luby's, Inc. (filed as Exhibit 4(n) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(m) Convertible Subordinated Promissory Note dated June 29, 2001, between Christopher J. Pappas and Luby's, Inc. in the amount of $1,500,000 (filed as Exhibit 4(o) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(n) Convertible Subordinated Promissory Note dated June 29, 2001, between Harris J. Pappas and Luby's, Inc. in the amount of $1,500,000 (filed as Exhibit 4(p) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(o) Convertible Subordinated Promissory Note dated June 29, 2001, between Christopher J. Pappas and Luby's, Inc. in the amount of $3,500,000 (filed as Exhibit 4(q) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(p) Convertible Subordinated Promissory Note dated June 29, 2001, between Harris J. Pappas and Luby's, Inc. in the amount of $3,500,000 (filed as Exhibit 4(r) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).

4(q) Fifth Amendment to Credit Agreement dated December 5, 2001, among Luby's, Inc., Bank of America, N.A. and other creditors of its bank group (filed as Exhibit 4(s) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).

4(r) Sixth Amendment to Credit Agreement dated November 25, 2002, by and among Luby's, Inc., Bank of America, N.A. and other creditors of its bank group (filed as Exhibit 4(t) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(a) Management Incentive Stock Plan of Luby's Cafeterias, Inc. (filed as Exhibit 10(i) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1989, and incorporated herein by reference).*

10(b) Amendment to Management Incentive Stock Plan of Luby's Cafeterias, Inc. adopted January 14, 1997 (filed as Exhibit 10(k) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).*

10(c) Nonemployee Director Deferred Compensation Plan of Luby's Cafeterias, Inc. adopted October 27, 1994 (filed as Exhibit 10(g) to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 1994, and incorporated herein by reference).*

10(d) Amendment to Nonemployee Director Deferred Compensation Plan of Luby's Cafeterias, Inc. adopted January 14, 1997 (filed as Exhibit 10(m) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).*

10(e) Amendment to Nonemployee Director Deferred Compensation Plan of Luby's Cafeterias, Inc. adopted March 19, 1998 (filed as Exhibit 10(o) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1998, and incorporated herein by reference).*

10(f) Amended and Restated Nonemployee Director Stock Option Plan of Luby's, Inc. approved by the shareholders of Luby's, Inc. on January 14, 2000 (filed as Exhibit 10(j) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2000, and incorporated herein by reference).*

10(g) Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan dated May 30, 1996 (filed as Exhibit 10(j) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1996, and incorporated herein by reference).*

10(h) Amendment to Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan adopted January 14, 1997 (filed as Exhibit 10(r) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1997, and incorporated herein by reference).*

10(i) Amendment to Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan adopted January 9, 1998 (filed as Exhibit 10(u) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1998, and incorporated herein by reference).*

10(j) Amendment to Luby's Cafeterias, Inc. Supplemental Executive Retirement Plan adopted May 21, 1999 (filed as Exhibit 10(q) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999, and incorporated herein by reference.)*

10(k) Severance Agreement between Luby's, Inc. and Barry J.C. Parker dated December 19, 2000 (filed as Exhibit 10(r) to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2000, and incorporated herein by reference.)*

10(l) Luby's Incentive Stock Plan adopted October 16, 1998 (filed as Exhibit 10(cc) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1998, and incorporated herein by reference).*

10(m) Form of Change in Control Agreement entered into between Luby's, Inc. and each of its Senior Vice Presidents as of January 8, 1999 (filed as Exhibit 10(aa) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1999, and incorporated herein by reference).*

10(n) Luby's, Inc. Deferred Compensation Plan effective June 1, 1999 (filed as Exhibit 10(cc) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999, and incorporated herein by reference).*

10(o) Registration Rights Agreement dated March 9, 2001, by and among Luby's, Inc., Christopher J. Pappas, and Harris J. Pappas (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).

10(p) Purchase Agreement dated March 9, 2001, by and among Luby's, Inc. Harris J. Pappas, and Christopher J. Pappas (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).

10(q) Employment Agreement dated March 9, 2001, between Luby's, Inc. and Christopher J. Pappas (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).*

10(r) Employment Agreement dated March 9, 2001, between Luby's, Inc. and Harris J. Pappas (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated March 9, 2001, and incorporated herein by reference).*

10(s) Luby's, Inc. Incentive Bonus Plan for Fiscal 2001 (filed as Exhibit 10(z) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2000, and incorporated herein by reference).*

10(t) Luby's, Inc. Stock Option granted to Christopher J. Pappas on March 9, 2001 (filed as Exhibit 10(w) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).*

10(u) Luby's, Inc. Stock Option granted to Harris J. Pappas on March 9, 2001 (filed as Exhibit 10(x) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2001, and incorporated herein by reference).*

10(v) Affiliate Services Agreement dated August 31, 2001, by and among Luby's, Inc., Christopher J. Pappas, Harris J. Pappas, Pappas Restaurants, L.P., and Pappas Restaurants, Inc. (filed as Exhibit 10(y) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, refiled as Exhibit 10(y) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 13, 2002, to include signature reference and an exhibit that were inadvertently omitted, and incorporated herein by reference).

10(w) Ground Lease for a cafeteria site dated March 25, 1994, by and between Luby's Cafeterias, Inc. and PHCG Investments, as amended by Lease Amendment dated July 6, 1994 (filed as Exhibit 10(z) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).

10(x) Lease Agreement dated June 1, 2001, by and between Luby's, Inc. and Pappas Restaurants, Inc. (filed as Exhibit 10(aa) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).

10(y) Final Severance Agreement and Release between Luby's, Inc. and Alan M. Davis dated July 20, 2001 (filed as Exhibit 10(bb) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference). While in search for new executive management, the Company entered into an employment agreement with Mr. Davis in January 2001. The value of that one-year contract was a year's salary upon termination. After new management was secured, the Company finalized the exhibited agreement that provides for the payment of monthly consulting fees to Mr. Davis until July 2002, but releases the Company from all prior employment commitments.*

10(z) Consultant Agreement between Luby's Restaurants Limited Partnership and Alan M. Davis dated July 20, 2001 (filed as Exhibit 10(cc) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2001, and incorporated herein by reference).*

10(aa) Luby's, Inc. Amended and Restated Nonemployee Director Phantom Stock Plan effective September 28, 2001 (filed as Exhibit 10(dd) to the Company's Quarterly Report on Form 10-Q for the quarter ended February 13, 2002, and incorporated herein by reference).*

10(bb) Final Severance Agreement and Release between Luby's, Inc. and S. Darrell Wood effective July 28, 2002 (filed as Exhibit 10(ee) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).*

10(cc) Consultant Agreement dated August 30, 2002, between Luby's Restaurants Limited Partnership and S. Darrell Wood (filed as Exhibit 10(ff) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).*

10(dd) Form of Indemnification Agreement entered into between Luby's, Inc. and each member of its Board of Directors initially dated July 23, 2002 (filed as Exhibit 10(gg) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(ee) Amended and Restated Affiliate Services Agreement dated July 23, 2002, by and among Luby's, Inc., Pappas Restaurants, L.P., and Pappas Restaurants, Inc. (filed as Exhibit 10(hh) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(ff) Master Sales Agreement dated July 23, 2002, by and among Luby's, Inc., Pappas Restaurants, L.P., and Pappas Restaurants, Inc. and Procedure adopted by the Finance and Audit Committee of the Board of Directors on July 23, 2002, pursuant to Section 2.3 of the Master Sales Agreement (filed as Exhibit 10(ii) to the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 2002, and incorporated herein by reference).

10(gg) Lease Agreement dated October 15, 2002, by and between Luby's, Inc. and Rush Truck Centers of Texas, L.P. and Amendment dated August 1, 2003, by and between Luby's, Inc. and Pappas Restaurants, Inc. (filed as Exhibit 10(gg) to the Company's Annual Report on Form 10-k for the fiscal year ended August 27, 2003, and incorporated herein by reference).

11 Weighted-average shares used in the recomputation of per share earnings in Note 15 of the Consolidated Notes to Financial Statements.

31 Certifications by the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certifications by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*Denotes management contract or compensatory plan or arrangement.