

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): May 13, 2010

SBARRO, INC.

(Exact Name of Registrant as Specified in Its Charter)

New York

(State or Other Jurisdiction of Incorporation)

333-142081

(Commission File Number)

11-2501939

(IRS Employer Identification No.)

401 Broad Hollow Road, Melville, New York

(Address of Principal Executive Offices)

11747-4714

(Zip Code)

(631) 715-4100

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

On May 13, 2010, Sbarro, Inc. issued a press release announcing earnings for the first quarter ended March 28, 2010. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

99.1 Press Release of Sbarro, Inc., dated May 13, 2010.



## **Sbarro, Inc. Announces Results of Operations for the First Quarter Ended March 28, 2010**

Melville, New York – May 13, 2010 - Sbarro, Inc. (the “Company”) announced today results of operations for the first quarter ended March 28, 2010. The Company’s detailed results are included in its Quarterly Report on Form 10-Q, which was filed with the SEC on May 10, 2010.

### **First Quarter Financial Results**

Revenues were \$79.0 million for the quarter ended March 28, 2010 as compared to revenues of \$79.6 million for the quarter ended March 29, 2009. The decrease in sales is due to a decrease in comparable unit sales of 1.6% in our QSR restaurants and lost sales from stores strategically closed of \$2.2 million, partially offset by sales generated by new stores opened in 2010 and 2009 of \$2.3 million. Domestic franchise comparable-unit sales declined 4.3%. The decrease in Company-owned and domestic franchise comparable-unit sales primarily reflects continued reduced consumer traffic throughout the United States as a result of the current economic environment. Without consideration for foreign currency fluctuations, international franchise comparable-unit sales increased 7.4%. The valuation of the U.S. Dollar relative to foreign currencies added an additional 10.0% increase in international franchise comparable unit sales.

EBITDA, as calculated in accordance with the terms of the Company’s bank credit agreements, was \$7.8 million for the quarter ended March 28, 2010 as compared to \$9.1 million for the quarter ended March 29, 2009. The decline was primarily the result of the decline in Company-owned comparable-unit sales and an increase in commodity costs during the quarter, specifically cheese, partially offset by cost savings initiatives and an increase in royalties on franchise sales.

Peter Beaudrault, Chairman of the Board, President and CEO of Sbarro commented, “In the first quarter, while we continued to face a challenging economic environment, we achieved comparable-unit sales and earnings in line with our business plan.”

As discussed in Exhibit A, EBITDA is a non-GAAP financial measure that management believes is an important metric for us to report to our investors, as we consider it a helpful additional indicator of our ability to meet future debt obligations and to comply with certain covenants in our borrowing agreements which are tied to this metric. Exhibit A includes a reconciliation of EBITDA to net loss, which is the most directly comparable financial measure under United States Generally Accepted Accounting Principles (“GAAP”). Exhibit A also identifies adjustments to EBITDA that are provided for under the Company’s bank credit agreements.

### **Conference Call Scheduled**

Sbarro, Inc. will host a conference call on May 20, 2010 at 11:00 AM Eastern Time to discuss results of operations for the quarter ended March 28, 2010. There are two ways to participate in the conference call-via conference call or webcast. Domestic callers may dial in at 1-877-941-4774. International callers may dial in at 1-480-629-9760. Request to be connected to the Sbarro, Inc. Q1 Fiscal 2010 Earnings Conference Call, confirmation number 4299504. Callers should dial in five to ten minutes before the scheduled start time. You may also access the conference call via webcast by visiting Sbarro Inc.’s website (<http://www.sbarro.com>), selecting Investors, and going to Investor Presentations.

An archived copy of the call will be available for one week to replay beginning at 2:00 PM (ET) on May 20, 2010. Domestic callers may dial 1-800-406-7325 and International callers may dial 1-303-

590-3030. The replay PIN number is 4299504. An archived copy of the call will also be available by accessing Sbarro, Inc.'s homepage.

### **About the Company**

Based in Melville, New York, we are the world's leading Italian quick service restaurant concept and the largest shopping mall-focused restaurant concept in the world. We have 1,055 restaurants in 41 countries. Sbarro restaurants feature a menu of popular Italian food, including pizza, a selection of pasta dishes and other hot and cold Italian entrees, salads, sandwiches, drinks and desserts. Additional information is available at <http://www.sbarro.com/>.

## **Forward-Looking Statement Disclosure**

This press release contains "forward-looking statements," as such term is used in the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements about non-historical matters and often are identified by the words "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" and similar expressions. These forward-looking statements include statements about anticipated future store openings and growth and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or transactions of Sbarro and its affiliates to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include: (1) general economic, inflation, national security, weather and business conditions; (2) decrease in mall traffic, and other events arising from the downturn in the economy; (3) the availability of suitable restaurant sites in appropriate regional shopping malls and other locations on reasonable rental terms; (4) changes in consumer tastes; (5) changes in population and traffic patterns, including the effects that military action and terrorism or other events may have on the willingness of consumers to frequent malls, airports or downtown areas which are the predominant areas in which our restaurants are located; (6) our ability to continue to attract franchisees; (7) the success of our present, and any future, joint ventures and other expansion opportunities; (8) changes in commodity and commodity related prices (particularly cheese and flour), beverage and paper products; (9) our ability to pass along cost increases to our customers; (10) increases in the Federal minimum wage; (11) the continuity of services of members of our senior management team; (12) our ability to attract and retain competent restaurant and executive managerial personnel; (13) competition; (14) the level of, and our ability to comply with, government regulations; (15) our ability to generate sufficient cash flow to make interest payments under our borrowing agreements; (16) our ability to comply with financial covenants and ratios and the effects the restrictions imposed by those financial covenants and ratios may have on our ability to operate our business; (17) our ability to repurchase and/or repay amounts under our borrowing agreements to the extent required in the event of certain circumstances as defined in our borrowing agreements; and (18) other factors discussed in our filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

[Financial schedules to follow]

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Contact:

Carolyn M. Spatafora  
Chief Financial Officer  
(631) 715-4100

**SBARRO, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(In thousands)**

	<b>For The Three Months Ended March 28, 2010</b>	<b>For The Three Months Ended March 29, 2009</b>
Revenues:		
Restaurant sales	\$ 75,227	\$ 76,283
Franchise related income	3,757	3,299
Total revenues	78,984	79,582
Costs and expenses:		
Cost of food and paper products	15,323	15,498
Payroll and other employee benefits	21,258	21,239
Other operating costs	30,012	29,844
Other income, net	(846)	(1,176)
Depreciation and amortization	3,374	4,201
General and administrative	7,600	8,401
Asset impairment, restaurant closings/remodels	-	880
Total costs and expenses, net	76,721	78,887
Operating income	2,263	695
Other (expense) income:		
Interest expense	(7,449)	(5,841)
Write-off of deferred financing costs	-	(423)
Interest income	-	32
Net other expense	(7,449)	(6,232)
Loss before income taxes and equity investments	(5,186)	(5,537)
Income tax expense	112	104
Loss before equity investments	(5,298)	(5,641)
Loss from equity investments	(62)	(55)
Net loss	(5,360)	(5,696)
Net loss (income) attributable to noncontrolling interests	163	(14)
Net loss attributable to Sbarro, Inc.	\$ (5,197)	\$ (5,710)

**Sbarro, Inc.**

**EBITDA Reconciliation**  
**Quarters Ended March 28, 2010 and March 29, 2009**  
**(unaudited)**

EBITDA represents earnings before interest income, interest expense, taxes, depreciation and amortization. EBITDA, as calculated under the Company's bank credit agreements, includes certain additional adjustments, as set forth in the reconciliation that follows. EBITDA is a non-GAAP financial measure and should not be considered in isolation from, or as a substitute for, net income, cash flow from operations or other cash flow statement data prepared in accordance with United States generally accepted accounting principles ("GAAP") or as a measure of a company's profitability or liquidity. Rather, we believe that EBITDA provides relevant and useful information for analysts of, and investors in, our Senior Notes due 2015 ("Senior Notes"), and our lenders as EBITDA is one of the measures used in calculating our compliance with certain financial ratios in the indenture governing our Senior Notes and in determining compliance with certain financial covenants under the Company's bank credit agreements.

Our calculation of EBITDA may not be comparable to a similarly titled measure reported by other companies, since all companies do not calculate this non-GAAP measure in the same manner. Our EBITDA calculations are not intended to represent cash provided by (used in) operating activities since they do not include interest and taxes and changes in operating assets and liabilities, nor are they intended to represent a net increase in cash since they do not include cash provided by (used in) investing and financing activities. The calculation of EBITDA under our bank credit agreements and under the indenture governing our Senior Notes may differ, because of differences in the definitions contained in those two documents. We provide a calculation of EBITDA under our bank credit agreements because we are required to satisfy a quarterly financial measurement that uses EBITDA as a compliance metric. Our indenture does not include a similar quarterly compliance covenant.

## Exhibit A

The following tables reconcile net loss attributable to Sbarro, Inc. for the following periods in 2010 and 2009, respectively, to EBITDA as defined in the Company's bank credit agreements for the same periods. We believe that net loss is the most directly comparable GAAP financial measure to EBITDA. All amounts below are in thousands.

	<b>Three Months Ended</b> <b><u>March 28, 2010</u></b>	<b>Three Months Ended</b> <b><u>March 29, 2009</u></b>
Net loss attributable to Sbarro, Inc.	\$ (5,197)	\$ (5,710)
Interest Expense	7,449	5,841
Interest Income	-	(32)
Income Tax Expense	112	104
Depreciation and Amortization	3,374	4,201
EBITDA attributable to Sbarro, Inc.	5,738	4,404
Adjustments:		
Non-cash charges and litigation charges <sup>(1)</sup>	488	1,615
Professional fees expensed for credit amendment, management fees and related expenses <sup>(2)</sup>	297	641
Restructuring related expenses, store closing costs and severance <sup>(3)</sup>	319	1,938
Preopening, joint venture operations and taxes in lieu of income tax	965	495
Bank Credit Agreement EBITDA	\$ 7,807	\$ 9,093

(1) Expenses relating to non-cash charges including deferred rent and asset impairments.

(2) Financial advisory, accounting, legal and other similar advisory and consulting fees relating to the credit facility amendment and 2<sup>nd</sup> lien transaction and accrued management fees and expenses.

(3) Restructuring related expenses, severance or the discontinuance of any portion of operations, employees and/or management and operating losses of closed stores.