



**Rick's Cabaret International Inc.
(NASDAQ: RICK)**

Q2 2013 EARNINGS CALL

May 9, 2013

Safe Harbor

Certain statements contained in this presentation regarding Rick's Cabaret future operating results or performance or business plans or prospects and any other statements not constituting historical fact are "forward-looking statements" subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "believe," "expect," "anticipate," "intent," "would," "will," "planned," "estimated," "potential," "goal," "outlook," and similar expressions, as they relate to the company or its management have been used to identify such forward-looking statements. All forward-looking statements reflect only current beliefs and assumptions with respect to future business plans, prospects, decisions and results, and are based on information currently available to the company. Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause the company's actual operating results, performance or business plans or prospects to differ materially from those expressed in, or implied by, these statements. Such risks, uncertainties and contingencies include, but are not limited to, risks and uncertainties associated with (i) operating and managing an adult business, (ii) the business climates in cities where the company operates, (iii) the success or lack thereof in launching and building the company's businesses, (iv) the operational and financial results of the company's adult nightclubs, (v) conditions relevant to real estate transactions, (vi) the loss of key personnel, and (vii) laws governing the operation of adult entertainment businesses. Additional factors that could cause the company's results to differ materially from those described in the forward-looking statements are described in forms filed with the SEC from time to time and available at www.ricksinvestor.com or on the SEC's internet website at www.sec.gov. Unless required by law, Rick's Cabaret does not undertake any obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Conference Call Overview

- **Summary of Q2 '13**
- **Status of New Projects – Launch of Bombshells; Temptations; Vivid Cabarets; Ricky Bobby Sports Saloon**
- **We Now Operate 37 Locations with 5 more in the Works**
- **Status of REIT discussions**
- **Outlook for Remainder of 2013**
- **Q&A**

Snapshot: Q2 '13

- **Consolidated Revenue Up 13% to \$28.7M**
- **Clubs Acquired in Past Year Contributed \$3.7M in Revenue**
- **Income from Ops: Non-GAAP \$7.5M; GAAP \$6.2M;**
- **Net Income: Non-GAAP 39c; GAAP 29c**
- **Operating Margins 21.5%**

Snapshot: Q2 '13 (continued)

- **Q2 '13 Adjusted EBITDA \$7.5M**
- **Cash Flow from Ops of \$10.9M (Six Months)**
- **Interest & Rent Expense Combined Are Just 8.2% of Total Revenues**
- **Completed \$5M Stock Buy-back, with Additional \$3M Authorized**

Debt Update

- **Long Term Debt 3/31/13 at \$75M of Which \$35.9M is Real Estate**
- **Interest Expense for Q2 '13 Was \$1.8M, or 6.1% of Revenues**
- **Additional Principal Payments Have Reduced 14% Tootsie's Debt to \$6.6M**
- **We Have Secured \$18M in Real Estate Financing for the New York Property—Non-Dilutive**



Progress On New Projects

- **Bombshells Opened Successfully in Dallas and Is Exceeding Expectations**
- **Construction Near Completion for ‘Vivid Cabaret’ in *Los Angeles County* -- Opening in June**
- **Ricky Bobby Sports Saloon in Ft. Worth Will Open in July**
- **Beaumont & Odessa Clubs Under Construction—Summer Opening**
- **Construction Proceeding on ‘Vivid Cabaret’ in *NYC*—October Opening Planned**

Forward Growth Strategy

- **Will Continue to Evaluate Non-Adult Concepts (Like Bombshells)**
- **Seeking Existing Clubs for Acquisition on Favorable Terms**
- **May Consider Additional Green Fields Because Long-term Profitability is Higher**
- **REIT Exploration Continues**

Enhancing Shareholder Value

- **Completed \$5M Stock Buyback; Purchased 756,087 Shares at Average Price of \$6.61; Board Approved Additional \$3M**
- **Potential REIT Allows Cash Return to Shareholders With Significant Tax Advantages**
- **Company is Presenting at Several Important Investor Conferences Throughout the Year to Tell Our Story**

Outlook

- **We Are Focused on Achieving Our Goal of 20%-30% Growth Rate for Next 3 Years; So Far This Year, 17.9% Growth**
- **Will Leverage Our Strong Cash Flow & Favorable Debt-to-EBITDA Ratios**
- **Continue to Explore Best Uses of Our Real Estate Holdings to Maximize Shareholder Value**
- **Excited About Growth with New Locations, Especially LA & NYC**

Due Diligence Ball

- **Those of You in the New York Area Tonight, Are Invited to Attend the Due Diligence Ball at...**

Rick's Cabaret
50 West 33rd Street
New York, NY 10001

- **6pm-8pm Discounted Drinks**
- **Behind the Scenes Tour**
- **Visit with Eric Langan**

For More Information

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Explanation of Adjusted EBITDA

Adjusted EBITDA. We exclude depreciation expense, amortization of intangibles, income tax, interest expense, interest income, gains and losses from asset sales, acquisition costs, litigation and other one-time legal settlements and impairment charges because we believe that adjusting for such items helps management and investors better understand operating activities. Adjusted EBITDA provides a core operational performance measurement that compares results without the need to adjust for Federal, state and local taxes which have considerable variation between domestic jurisdictions. Also, we exclude interest cost in our calculation of Adjusted EBITDA. The results are, therefore, without consideration of financing alternatives of capital employed. We use Adjusted EBITDA as one guideline to assess our unleveraged performance return on our investments. Adjusted EBITDA is also the target benchmark for our acquisitions of nightclubs.

Explanation of Non-GAAP

Non-GAAP Operating Income. We exclude amortization of intangibles, patron taxes, gains and losses from asset sales, stock-based compensation charges, litigation and other one-time legal settlements and acquisition costs. We believe that excluding these items assists investors in evaluating period-over-period changes in our operating income and operating margin without the impact of items that are not a result of our day-to-day business and operations.

Non-GAAP Net Income. We exclude amortization of intangibles, patron taxes, income tax expense, impairment charges, gains and losses from asset sales, stockbased compensation, litigation and other one-time legal settlements and acquisition costs, and include the Non-GAAP provision for income taxes, calculated as the tax-effect at 35% effective tax rate of the pre-tax non-GAAP income before taxes less stock-based compensation, because we believe that excluding such measures helps management and investors better understand our operating activities.

Our Form 10-K contains additional details relative to each of the non-GAAP financial measures and is posted on our website at www.ricksinvestor.com.

