SCOTT'S RESTAURANTS INC.

NEWS RELEASE

TORONTO, ONTARIO - **June 7, 1999 –** Scott's Restaurants Inc. (TSE:SRG) announced today that its Board of Directors has approved in principle a proposal by SR Acquisition Corporation, a privately held Ontario corporation, to make a take-over bid to purchase all the issued and outstanding Class C and subordinate voting shares of Scott's Restaurants Inc. for a purchase price of $9.50 per share, payable in cash. SR Acquisition Corporation was established by Mr. John Bitove, Jr. to undertake this proposed transaction.

The proposal is subject to due diligence and the entering into of formal documentation. Subject to entering into such formal documentation, Fairwater Capital Corporation, the controlling shareholder of Scott's, has agreed to tender its shares of Scott's to the bid.

Paul Houston, President and Chief Executive Officer of Scott's said, "this proposal represents excellent value for all our shareholders. We look forward to working with John Bitove to complete this transaction as quickly as possible."

John Bitove, Jr., Chairman of SR Acquisition Corporation, said, "KFC, Wendy's and Tim Hortons are among the leading brands in Canada. That is why we have studied this possible acquisition for some time as part of a long-term investment strategy. We look forward to completing the due diligence process and moving to a formal bid and closing as soon as possible."

For further information contact:
Paul A. Houston, President and CEO
905-946-7110

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