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FOR IMMEDIATE RELEASE

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**MERITAGE REPORTS PRELIMINARY FISCAL 2010 RESULTS;
2011 BUSINESS OUTLOOK**

GRAND RAPIDS, Michigan, March 8, 2011. Meritage Hospitality Group Inc. (OTCQX: MHGU), the nation's premier franchise operator, today reported financial results for the 2010 fiscal year ended January 2, 2011.

Fiscal 2010 Highlights

- Sales increased 13.7% to \$78.6 million compared to \$69.1 million for the same period last year.
- Income from Operations increased 38.0% to \$3.0 million compared to \$2.2 million for fiscal year 2009.
- Net Income increased 143.2% to \$2.3 million compared to \$930,000 for the same period last year.
- Consolidated EBITDA (a non-GAAP measure) increased 12.5% to \$4.4 million compared to \$3.9 million.
- The Company obtained an \$8.0 million financing commitment for future acquisitions, modernization and development of new Wendy's restaurants.
- The Company opened its first Twisted Rooster restaurant, a newly created concept, generating a store level income from operations improvement of 131.5% over the same five month period in 2009.
- The Company declared its 29th consecutive quarterly dividend on its Series B Cumulative Convertible Preferred stock of \$.20 per share, which was payable on January 1, 2011 to shareholders of record as of December 15, 2010.

"The economic environment stabilized in our primary Michigan and Florida designated market areas, allowing us to achieve improved operating results. Relevant consumer brands and focused restaurant operations remain the key to our earnings growth" stated Robert E. Schermer, Jr., the Company's CEO.

Fourth Quarter 2010 Highlights

- Sales increased 1.4% to \$19.3 million compared to \$19.1 million for the same period last year.
- Income from Operations increased 175.6% to \$1.1 million compared to \$387,000 for the same period last year.
- Net Income increased 65.7% to \$399,000 compared to \$241,000 for the same period last year.

- **Consolidated EBITDA (a non-GAAP measure) increased 38.5% to \$1.3 million compared to \$971,000 for the same period last year.**
- **The Company launched a \$2.0 million re-imaging and modernization program in its Wendy's restaurants.**
- **The Company finished 2010 ranked among the top most effective multi-unit operators within the Wendy's system.**

Business Outlook

The Company's outlook for 2011 includes continued operating sales growth, the addition of five to seven restaurants from acquisitions and new store development, and the conversion of its three remaining casual dining restaurants into the Company's new Twisted Rooster concept. The five-year goal is to grow to 150 restaurants from its existing 73 locations. Management believes there is also significant potential benefit to the Company in 2012 and beyond as a result of a change to the Michigan Business Tax (MBT). The MBT is currently one of the most punitive state tax structures in the nation for mid-size retailers.

The Wendy's restaurant system remains focused on brand revitalization and new product innovations including several new core product upgrades in 2011.

SAFE HARBOR STATEMENT

Certain information in this new release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, constitutes forward-looking statements. Factors set forth in our Safe Harbor Statement, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor Statement at <http://www.meritagehospitality.com>.

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