

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the quarterly period ended JUNE 29, 2003.
- Transition report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the transition period from _____ to _____.

Commission File Number 0-3189

NATHAN'S FAMOUS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

11-3166443

(IRS employer
identification number)

1400 OLD COUNTRY ROAD, WESTBURY, NEW YORK 11590

(Address of principal executive offices including zip code)

(516) 338-8500

(Registrant's telephone number, including area code)

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 Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

At June 29, 2003, an aggregate of 5,366,364 shares of the registrant's common stock, par value of \$.01, were outstanding.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	June 29, 2003 ----- (Unaudited)	March 30, 2003 -----
Current assets:		
Cash and cash equivalents including restricted cash of \$83 and \$83, respectively	\$ 1,858	\$ 1,415
Marketable securities	5,229	4,623
Notes and accounts receivable, net	3,076	2,607
Inventories	382	389
Assets held for sale	265	799
Prepaid expenses and other current assets	557	642
Deferred income taxes	2,079	2,079
	-----	-----
Total current assets	13,446	12,554
Notes receivable, net	877	740
Property and equipment, net	6,136	6,263
Goodwill	95	95
Intangible assets, net	3,254	3,319
Deferred income taxes	2,630	2,647
Other assets, net	260	268
	-----	-----
	\$ 26,698	\$ 25,886
	=====	=====
Current liabilities:		
Current maturities of notes payable and capital lease obligations	\$ 173	\$ 173
Accounts payable	1,150	1,377
Accrued expenses and other current liabilities	5,059	4,942
Deferred franchise fees	131	127
	-----	-----
Total current liabilities	6,513	6,619
Notes payable and capital lease obligations, less current maturities	1,010	1,053
Other liabilities	2,244	1,831
	-----	-----
Total liabilities	9,767	9,503
	-----	-----
Stockholders' equity:		
Common stock, \$.01 par value - 30,000,000 shares authorized; 7,065,202 shares issued; 5,366,364 and 5,423,964 shares outstanding at June 29, 2003 and March 30, 2003, respectively	71	71
Additional paid-in capital	40,746	40,746
Accumulated deficit	(17,761)	(18,505)
Accumulated other comprehensive income	79	64
	-----	-----
	23,135	22,376
Treasury stock at cost, 1,698,838 and 1,641,238 at June 29, 2003 and March 30, 2003, respectively	(6,204)	(5,993)
	-----	-----
Total stockholders' equity	16,931	16,383
	-----	-----
	\$ 26,698	\$ 25,886
	=====	=====

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Thirteen weeks ended June 29, 2003 and June 30, 2002 (In thousands,
except per share amounts)
(Unaudited)

	2003	2002
	----	----
Sales	\$ 6,335	\$ 7,111
Franchise fees and royalties	1,561	1,542
License royalties	870	811
Investment and other income	188	127
Interest income	64	75
	-----	-----
Total revenues	9,018	9,666
	-----	-----
Costs and expenses:		
Cost of sales	4,335	4,714
Restaurant operating expenses	1,182	1,468
Depreciation and amortization	257	355
Amortization of intangible assets	65	70
General and administrative expenses	1,919	2,102
Interest expense	14	39
Impairment charge on long-lived assets	--	421
	-----	-----
Total costs and expenses	7,772	9,169
	-----	-----
Income from continuing operations before income taxes	1,246	497
Provision for income taxes	502	205
	-----	-----
Income from continuing operations	744	292
Discontinued operations		
Income from discontinued operations before income taxes	--	89
Provision for income taxes	--	35
	-----	-----
Income from discontinued operations	--	54
Income from operations before cumulative effect of change in accounting principle	744	346
Cumulative effect of change in accounting principle, net of income tax benefit of \$854 in 2002	--	(12,338)
	-----	-----
Net income (loss)	\$ 744	\$ (11,992)
	=====	=====
PER SHARE INFORMATION		
Basic income (loss) per share		
Income from continuing operations	\$ 0.14	\$ 0.04
Income from discontinued operations	0.00	0.01
Cumulative effect of change in accounting principle	0.00	(1.94)
	-----	-----
Net income (loss)	\$ 0.14	\$ (1.89)
	=====	=====
Diluted income (loss) per share		
Income from continuing operations	\$ 0.14	\$ 0.04
Income from discontinued operations	0.00	0.01
Cumulative effect of change in accounting principle	0.00	(1.87)
	-----	-----
Net income (loss)	\$ 0.14	\$ (1.82)
	=====	=====
Weighted average shares used in computing per share information		
Basic	5,370	6,354
	=====	=====
Diluted	5,478	6,573
	=====	=====

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Thirteen weeks ended June 29, 2003
(In thousands, except share amounts)
(Unaudited)

	Common Shares -----	Common Stock -----	Additional Paid-in Capital -----	Accumulated Deficit -----	Accumulated Other Comprehen- sive Income -----	Treasury Shares -----	Treasury Stock, at cost -----	Total Stockholders' Equity -----
Balance at March 30, 2003	7,065,202	\$71	\$40,746	\$(18,505)	\$64	1,641,238	\$(5,993)	\$16,383
Purchase of treasury stock						57,600	(211)	(211)
Comprehensive earnings:								
Net income				744				744
Unrealized gains on available for sale securities, net of tax provision of \$11					15			15
Balance at June 29, 2003	7,065,202 =====	\$71 ===	\$40,746 =====	\$(17,761) =====	\$79 ===	1,698,838 =====	\$(6,204) =====	\$16,931 =====

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Thirteen weeks ended June 29, 2003 and June 30, 2002
(In thousands)
(Unaudited)

	2003	2002
	----	----
Cash flows from operating activities:		
Net income (loss)	\$ 744	\$(11,992)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Cumulative effect of change in accounting principle, net of deferred taxes	--	12,338
Depreciation and amortization	257	410
Amortization of intangible assets	65	70
Amortization of bond premium	14	33
Provision for doubtful accounts	13	74
Loss (gain) on sale of available for sale securities	5	(10)
Gain on sale of restaurant	(94)	--
Impairment charge on long-lived assets	--	421
Deferred income taxes	6	(198)
Changes in operating assets and liabilities:		
Marketable securities and investment in limited partnership	--	77
Notes and accounts receivable, net	(392)	(479)
Inventories	7	51
Prepaid expenses and other current assets	85	450
Accounts payable and accrued expenses	(110)	(1,325)
Deferred franchise fees	4	(11)
Other assets, net	8	--
Other non current liabilities	304	(170)
Net cash provided by (used in) operating activities	----- 916	----- (261)
Cash flows from investing activities:		
Proceeds from sale of available for sale securities	500	3,572
Purchase of available for sale securities	(1,099)	(376)
Purchase of property and equipment	(116)	(116)
Proceeds from sale of restaurants, net	423	--
Payments received on notes receivable	73	87
Net cash (used in) provided by investing activities	----- (219)	----- 3,167
Cash flows from financing activities:		
Repurchase of common stock	(211)	(2,855)
Principal repayment of borrowings and obligations under capital leases	(43)	(46)
Net cash used in financing activities	----- (254)	----- (2,901)
Net increase in cash and cash equivalents	443	5
Cash and cash equivalents, beginning of period	1,415	1,834
Cash and cash equivalents, end of period	\$ 1,858	\$ 1,839
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for income taxes	\$ 22	\$ 24
	=====	=====
Cash paid during the period for interest	\$ 15	\$ 40
	=====	=====
NONCASH FINANCING ACTIVITIES:		
Loan to franchisee in connection with sale of restaurant	\$ 300	\$ --
	=====	=====

See accompanying notes to consolidated financial statements.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 29, 2003
(Unaudited)

NOTE A - BASIS OF PRESENTATION

The accompanying consolidated financial statements of Nathan's Famous, Inc. and subsidiaries (collectively "Nathan's" or the "Company") for the thirteen week periods ended June 29, 2003 and June 30, 2002 have been prepared in accordance with accounting principles generally accepted in the United States of America. The unaudited financial statements include all adjustments (consisting of normal recurring adjustments) which, in the opinion of management, were necessary for a fair presentation of financial condition, results of operations and cash flows for such periods presented. However, these results are not necessarily indicative of results for any other interim period or the full year.

Certain information and footnote disclosures normally included in financial statements in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to the requirements of the Securities and Exchange Commission. Management believes that the disclosures included in the accompanying interim financial statements and footnotes are adequate to make the information not misleading, but should be read in conjunction with the consolidated financial statements and notes thereto included in Nathan's Annual Report on Form 10-K for the fiscal year ended March 30, 2003.

NOTE B - ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). SFAS No. 143 addresses financial and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. It applies to legal obligations associated with the retirement of long-lived assets that result from acquisition, construction, development and/or the normal operation of a long-lived asset, except for certain obligations of lessees. SFAS No. 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002. Nathan's has evaluated the effect of adoption on its financial position and results of operations, and it has not had a material impact on the financial position and results of operations of the Company.

In April 2002, the FASB issued Statement of Financial Accounting Standards No. 145 ("SFAS No. 145"), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 eliminates the current requirement that gains and losses on debt extinguishment must be classified as extraordinary items in the income statement. Instead, such gains and losses will be classified as extraordinary items only if they are deemed to be unusual and infrequent, in accordance with the current criteria for extraordinary classification. Additionally, any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in APB Opinion No. 30 for classification as an extraordinary item shall be reclassified. In addition, SFAS No. 145 eliminates an inconsistency in lease accounting by requiring that modifications of capital leases that result in reclassification as operating leases be accounted for consistent with sale-leaseback accounting rules. SFAS No. 145 also contains other nonsubstantive corrections to authoritative accounting literature. The changes related to debt extinguishment will be effective for fiscal years beginning after May 15, 2002, and the changes related to lease accounting will be effective for transactions occurring after May 15, 2002. SFAS No. 145 has not had a material impact on the financial position and results of operations of the Company.

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148 ("SFAS No. 148"), "Accounting for Stock-Based Compensation-Transition and Disclosure" which addresses financial accounting and reporting for recording expenses for the fair value of stock options. SFAS No. 148 provides alternative methods of transition for a voluntary change to fair value based method of accounting for stock-based employee compensation. Additionally, SFAS No. 148 requires more prominent and more frequent disclosures in financial statements about the effects of stock-based compensation. The adoption of SFAS No. 148 had no impact on the financial position and results of operations of the Company.

NOTE C - INCOME FROM CONTINUING OPERATIONS PER SHARE

Basic income from continuing operations per common share is calculated by dividing income from continuing operations by the weighted-average number of shares outstanding and excludes any dilutive effect of stock options or warrants. Diluted income from continuing operations per common share gives effect to all potentially dilutive common shares that were outstanding during the period. Dilutive common shares used in the computation of diluted income from continuing operations per common share result from the assumed exercise of stock options and warrants, using the treasury stock method. Income from continuing operations was the controlling number in determining the number of shares outstanding used in the calculation of diluted earnings per share for the quarter ended June 30, 2002.

The following chart provides a reconciliation of information used in calculating the per share amounts for the thirteen week periods ended June 29, 2003 and June 30, 2002, respectively.

THIRTEEN WEEKS

	Income from Continuing Operations (In thousands)		Number of Shares (In thousands)		Income from Continuing Operations Per Share	
	2003	2002	2003	2002	2003	2002
Basic EPS						
Basic calculation	\$744	\$292	5,370	6,354	\$0.14	\$0.04
Effect of dilutive employee stock options and warrants	--	--	108	219	--	--
Diluted EPS						
Diluted calculation	\$744	\$292	5,478	6,573	\$0.14	\$0.04
	====	====	=====	=====	=====	=====

Options and warrants to purchase 835,566 and 902,838 shares of common stock in the thirteen week periods ended June 29, 2003 and June 30, 2002, respectively, were not included in the computation of diluted EPS because the exercise prices exceeded the average market price of common shares during the respective periods. These options and warrants were still outstanding at the end of the respective periods.

NOTE D - STOCK BASED COMPENSATION

At June 29, 2003, the Company had five stock-based employee compensation plans. The Company accounts for stock-based compensation using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25") and has adopted the disclosure provisions of SFAS No. 148 "Accounting for Stock-Based Compensation-Transition and Disclosure." Under APB No. 25, when the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized. Accordingly, no compensation expense has been recognized in the consolidated financial statements in connection with employee stock option grants.

The following table illustrates the effect on net income and earnings per share had the Company applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation", to stock-based employee compensation.

	Thirteen Weeks Ended (In thousands)	
	June 29, 2003	June 30, 2002
Net income (loss), as reported	\$ 744	\$(11,992)
Deduct: Total stock-based employee compensation expense determined under fair value-based method for all awards	(41)	(41)
Pro forma net income (loss)	\$ 703	\$(12,033)
	=====	=====

Earnings (loss) per Share		
Basic - as reported	\$ 0.14	\$ (1.89)
	=====	=====
Diluted - as reported	\$ 0.14	\$ (1.82)
	=====	=====
Basic - pro forma	\$ 0.13	\$ (1.89)
	=====	=====
Diluted - pro forma	\$ 0.13	\$ (1.83)
	=====	=====

Pro forma compensation expense may not be indicative of pro forma expense in future years. For purposes of estimating the fair value of each option on the date of grant, the Company utilized the Black-Scholes option-pricing model.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

NOTE E - SALES OF RESTAURANTS

The Company observes the provisions of SFAS No. 66, "Accounting for Sales of Real Estate," which establishes accounting standards for recognizing profit or loss on sales of real estate. SFAS No. 66 provides for profit recognition by the full accrual method, provided (a) the profit is determinable, that is, the collectibility of the sales price is reasonably assured or the amount that will not be collectible can be estimated, and (b) the earnings process is virtually complete, that is, the seller is not obligated to perform significant activities after the sale to earn the profit. Unless both conditions exist, recognition of all or part of the profit shall be postponed and other methods of profit recognition shall be followed. In accordance with SFAS No. 66, the Company recognizes profit on sales of restaurants under both the installment method and the deposit method, depending on the specific terms of each sale. The Company continues to record depreciation expense on the property subject to the sales contracts that are accounted for under the deposit method and records any principal payments received as a deposit until such time that the transaction meets the sales criteria of SFAS No. 66.

During the thirteen weeks ended June 29, 2003, the Company sold two Company-owned restaurants for total consideration of \$713,000 and entered into a management agreement with a franchisee to operate a third Company-owned restaurant. During the fiscal year ended March 30, 2003, the Company sold two Company-operated restaurants and one non-operated restaurant for a total of \$591,000, none of which were sold during the thirteen weeks ended June 30, 2002. As these restaurants were either classified as held-for-sale prior to the adoption of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144") or the Company expects to have a continuing stream of cash flows in the case of the franchised restaurants, the results of operations for these Company-operated restaurants are included in "Income from continuing operations before income taxes" in the accompanying consolidated statements of operations for the thirteen week periods ended June 29, 2003 and June 30, 2002. During the thirteen weeks ended June 29, 2003 and June 30, 2002 restaurant sales were \$287,000 and \$1,272,000, respectively, from the operation of the two and five restaurants referred to above. The assets associated with the restaurants that were sold during the quarter ended June 29, 2003 were included in assets held for sale in the March 30, 2003 consolidated balance sheet. Results of operations of the eight restaurants that have been abandoned subsequent to the adoption of SFAS No. 144 have been included in results from discontinued operations (See Note F).

The results of operations for these Company-owned restaurants for the thirteen week periods ended June 29, 2003 and June 30, 2002 are as follows (in thousands):

	June 29, 2003	June 30, 2002
	----	----
Sales	\$287	\$1,272
	=====	=====
(Loss) from continuing operations before income taxes	\$(31)	\$ (28)
	=====	=====

NOTE F - DISCONTINUED OPERATIONS

On April 1, 2002, the Company adopted the provisions of SFAS No. 144. This statement supersedes SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and Accounting Principles Board Opinion No. 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". SFAS No. 144 retained the fundamental provisions of SFAS No. 121 for recognition and measurement of impairment, but amended the accounting and reporting standards for segments of a business to be disposed of. SFAS No. 144 has broadened the definition of discontinued operations to include components of an entity whose cash flows are clearly identifiable, as compared to a segment of a business. SFAS No. 144 requires the Company to classify as discontinued operations any restaurant that it sells, abandons or otherwise disposes of where the Company has no further involvement in such restaurant's operations. In the case of restaurants to be abandoned, depreciation expense is to be revised based upon the expected remaining useful lives of the affected restaurants. In August 2002, the Company received written notice from Home Depot U.S.A., Inc. ("Home Depot") that Home Depot terminated seven License Agreements with the Company pursuant to which the Company operated Nathan's restaurants in certain Home Depot Improvement Centers. During the second quarter fiscal 2003, the Company revised its depreciation estimate on eight restaurants which were closed during the fiscal year ended March 30, 2003. During the first quarter fiscal 2003, eight Company-owned restaurants which were not considered available for sale at March 31, 2002 were presented as discontinued operations.

Following is a summary of the results of operations for these eight restaurants for the thirteen week period ended June 30, 2002 (in thousands):

Sales	\$1,248
	=====
Income from discontinued operations before income taxes	\$ 89
	=====

NOTE G - STOCK REPURCHASE PROGRAM

On September 14, 2001, Nathan's was authorized to purchase up to one million shares of its common stock. Pursuant to our stock repurchase program, we repurchased one million shares of common stock in open market transactions and a private transaction at a total cost of \$3,670,000 through the quarter ended September 29, 2002. On October 7, 2002, Nathan's was authorized to purchase up to one million additional shares of its common stock. Through June 29, 2003, Nathan's purchased 698,838 shares of common stock at a cost of approximately \$2,534,000. Subsequent to June 29, 2003, Nathan's purchased an additional 46,681 shares of common stock at a cost of approximately \$171,000. To date, Nathan's has purchased a total of 1,745,519 shares of common stock at a cost of approximately \$6,375,000. Nathan's expects to make additional purchases of stock from time to time, depending on market conditions, in open market or in privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the purchases. Nathan's expects to fund these stock repurchases from its operating cash flow.

NOTE H - COMPREHENSIVE INCOME (LOSS)

The components of comprehensive income (loss) are as follows:

	Thirteen Weeks Ended (In thousands)	
	June 29, 2003	June 30, 2002
	----	----
Net income (loss)	\$744	\$(11,992)
Unrealized gain on available-for-sale securities, Net of tax provision of \$11 and \$25, respectively	15	35
	----	-----
Comprehensive income (loss)	\$759	\$(11,957)
	=====	=====

Accumulated other comprehensive income at June 29, 2003 and March 30, 2003 consists entirely of unrealized gains on available-for-sale securities, net of deferred taxes.

NOTE I - COMMITMENTS AND CONTINGENCIES

CONTINGENCIES

Elizabeth B. Jackson and Joseph Jackson commenced an action, for unspecified damages, in the Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida in September 2001 against Miami Subs and EKFD Corporation, a Miami Subs franchisee ("the franchisee") claiming negligence in connection with a slip and fall which allegedly occurred on the premises of the franchisee. Pursuant to the terms of the Miami Subs Franchise Agreement, the franchisee is obligated to indemnify Miami Subs and hold them harmless against claims asserted and procure an insurance policy which named Miami Subs as an additional insured. Miami Subs has denied any liability to Plaintiffs and has made demand upon the franchisee's insurer to indemnify and defend against the claims asserted. The insurer has agreed to indemnify and defend Miami Subs and has assumed the defense of this action for Miami Subs.

NOTE J - RECLASSIFICATIONS

Certain reclassifications of prior period balances have been made to conform to the June 29, 2003 presentation.

NOTE K - RECENTLY ISSUED ACCOUNTING STANDARDS

In April 2003, the FASB issued Statement of Financial Accounting Standards No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities" ("SFAS No. 149"), which amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 except for the provisions that were cleared by the FASB in prior pronouncements. The Company is currently evaluating the effect of the adoption of SFAS No. 149 on its financial position and results of operations.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("SFAS No. 150"). This statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. In accordance with the standard, financial instruments that embody obligations for the issuer are required to be classified as liabilities. This Statement shall be effective for financial instruments entered into or modified after May 31, 2003, and otherwise shall be effective for the year ended December 31, 2003. The adoption of SFAS No. 150 has not had, and is not expected to have, a material effect on Nathan's financial position and results of operations.

In January 2003, the FASB issued FASB Interpretation No. 46 "Consolidation of Variable Interest Entities" ("FIN No. 46"). In general, a variable interest entity is a corporation, partnership, trust, or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. A variable interest entity often holds financial assets, including loans or receivables, real estate or other property. A variable interest entity may be essentially passive or it may engage in activities on behalf of another company. Until now, a company generally has included another entity in its consolidated financial statements only if it controlled the entity through voting interests. FIN No. 46 changes that by requiring a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. FIN No. 46's consolidation requirements apply immediately to variable interest entities created or acquired after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The Company has adopted FIN No. 46 effective January 31, 2003. The adoption of FIN No. 46 has not had, and is not expected, to have a material effect on the Nathan's financial position and results of operations.

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

INTRODUCTION

As used in this Report, the terms "we", "us", "our" and "Nathan's" mean Nathan's Famous, Inc. and its subsidiaries (unless the context indicates a different meaning).

During the fiscal year ended March 26, 2000, we completed two acquisitions that provided us with two highly recognized brands. On April 1, 1999, we became the franchisor of the Kenny Rogers Roasters restaurant system by acquiring the intellectual property rights, including trademarks, recipes and franchise agreements of Roasters Corp. and Roasters Franchise Corp. On September 30, 1999, we acquired the remaining 70% of the outstanding common stock of Miami Subs Corporation we did not already own. Our revenues are generated primarily from operating company-owned restaurants and franchising the Nathan's, Miami Subs and Kenny Rogers restaurant concepts, licensing agreements for the sale of Nathan's products within supermarkets and selling products under Nathan's Branded Product Program. The Branded Product Program enables foodservice operators to offer Nathans' hot dogs and other proprietary items for sale within their facilities. In conjunction with this program, foodservice operators are granted a limited use of the Nathans' trademark with respect to the sale of hot dogs and certain other proprietary food items and paper goods.

In addition to plans for expansion through franchising and our Branded Product Program, Nathan's continues to co-brand within its existing restaurant system. Currently, the Arthur Treacher's brand is being sold within 124 Nathan's, Kenny Rogers Roasters and Miami Subs restaurants, the Nathan's brand is included on the menu of 79 Miami Subs and Kenny Rogers restaurants, while the Kenny Rogers Roasters brand is being sold within 81 Miami Subs and Nathan's restaurants.

At June 29, 2003, our combined system consisted of 349 franchised or licensed units, 9 company-owned units and over 2,500 Nathan's Branded Product points of sale that feature Nathan's world famous all-beef hot dogs, located in 41 states, the District of Columbia and 12 foreign countries. At June 29, 2003, our company-owned restaurant system included seven Nathan's units and two Miami Subs units, as compared to 16 Nathan's units, four Miami Subs units and two Kenny Rogers Roasters units at June 30, 2002.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements and the notes to our consolidated financial statements contain information that is pertinent to management's discussion and analysis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. We believe the following critical accounting policies involve additional management judgement due to the sensitivity of the methods, assumptions and estimates necessary in determining the related asset and liability amounts.

Impairment of Goodwill and Other Intangible Assets

Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," ("SFAS No. 142") requires that goodwill and intangible assets with indefinite lives will no longer be amortized but will be reviewed annually (or more frequently if impairment indicators arise) for impairment. The most significant assumptions which are used in this test are estimates of future cash flows. We typically use the same assumptions for this test as we use in the development of our business plans. If these assumptions differ significantly from actual results, additional impairment expenses may be required. In the first quarter of fiscal 2003, Nathan's adopted SFAS No. 142. In connection with the implementation of this new standard, Goodwill, Trademarks, Trade Names and Recipes were deemed to be impaired and their carrying value was written down by \$13,192,000, or \$12,338,000, net of income tax benefit of \$854,000.

Impairment of Long-Lived Assets

Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," ("SFAS No. 144") requires management judgements regarding the future operating and disposition plans for underperforming assets, and estimates of expected realizable values for assets to be sold. The application of SFAS No. 144 has affected the amounts and timing of charges to operating results in recent years. We evaluate possible impairment of each restaurant individually, and record an impairment charge whenever we determine that impairment factors exist. We consider a history of restaurant operating losses to be the primary indicator of potential impairment of a restaurant's carrying value. During the thirteen week period ended June 30, 2002, we identified three restaurants that had been impaired and recorded impairment charges of approximately \$421,000. No restaurants were

determined to be impaired during the thirteen weeks ended June 29, 2003.

Impairment of Notes Receivable

Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan," requires management judgments regarding the future collectibility of notes receivable and the underlying fair market value of collateral. We consider the following factors when evaluating a note for impairment: a) indications that the borrower is experiencing business problems, such as operating losses, marginal working capital, inadequate cash flow or business interruptions; b) whether the loan is secured by collateral that is not readily marketable; or c) whether the collateral is susceptible to deterioration in realizable value. When determining possible impairment, we also assess our future intention to extend certain leases beyond the minimum lease term and the debtor's ability to meet its obligation over that extended term. No additional notes receivable were determined to be impaired during the thirteen weeks ended June 29, 2003.

Revenue Recognition

In the normal course of business, we extend credit to franchisees for the payment of ongoing royalties and to trade customers of our Branded Product Program. Notes and accounts receivable, net, as shown on our consolidated balance sheets are net of allowances for doubtful accounts. An allowance for doubtful accounts is determined through analysis of the aging of accounts receivable at the date of the financial statements, assessment of collectibility based upon historical trends and an evaluation of the impact of current and projected economic conditions. In the event that the collectibility of a receivable is doubtful, the associated revenue is not recorded until the facts and circumstances change in accordance with Staff Accounting Bulletin SAB No. 101, "Revenue Recognition."

Self-insurance Liabilities

We are self-insured for portions of our general liability coverage. As part of our risk management strategy, our insurance programs include deductibles for each incident and in the aggregate for a policy year. As such, we accrue estimates of our ultimate self insurance costs throughout the policy year. These estimates have been developed based upon our historical trends, however, the final cost of many of these claims may not be known for five years or longer. Accordingly, our annual self insurance costs may be subject to adjustment from previous estimates as facts and circumstances change.

RESULTS OF OPERATIONS

THIRTEEN WEEKS ENDED JUNE 29, 2003 COMPARED TO THIRTEEN WEEKS ENDED JUNE 30, 2002

Revenues from Continuing Operations

Total sales from continuing operations decreased by 10.9% or \$776,000 to \$6,335,000 for the thirteen weeks ended June 29, 2003 ("first quarter fiscal 2004") as compared to \$7,111,000 for the thirteen weeks ended June 30, 2002 ("first quarter fiscal 2003"). Sales from the Branded Product Program increased by 34.9% to \$2,247,000 for the first quarter fiscal 2004 as compared to sales of \$1,666,000 in the first quarter fiscal 2003. Company-owned restaurant sales decreased 24.9% or \$1,357,000 to \$4,088,000 from \$5,445,000 primarily due to the operation of five fewer company-owned stores as compared to the prior fiscal year and an 8.9% sales decrease at our comparable restaurants (consisting of seven Nathan's and two Miami Subs restaurants). The sales decline at our comparable restaurants was primarily due to the unseasonable weather experienced in the Northeast during the spring of 2003, where the majority of our Company-owned restaurants are located. The reduction in company-owned stores is the result of our franchising four restaurants and selling one restaurant. The financial impact associated with these five restaurants lowered restaurant sales by \$985,000 and lowered restaurant operating profits by \$3,000 versus the first quarter fiscal 2003.

Franchise fees and royalties increased by \$19,000 or 1.2% to \$1,561,000 in the first quarter fiscal 2004 compared to \$1,542,000 in the first quarter fiscal 2003. Franchise royalties decreased by \$88,000 or 5.9% to \$1,398,000 in the first quarter fiscal 2004 as compared to \$1,486,000 in the first quarter fiscal 2003. This decline is due to the decrease in the amount of franchise sales and the increase in royalties deemed unrealizable which are not recognized as revenues, primarily in the South Florida marketplace for the Miami Subs brand, during the first quarter fiscal 2004 as compared to the first quarter fiscal 2003. Domestic franchise restaurant sales decreased by 4.2% to \$39,870,000 in the first quarter fiscal 2004 as compared to \$41,628,000 in the first quarter fiscal 2003. At June 29, 2003, 349 franchised or licensed restaurants were operating as compared to 354 franchised or licensed restaurants at June 30, 2002. At June 29, 2003, royalties from 44 domestic franchised locations have been deemed unrealizable as compared to 39 domestic franchised locations at June 30, 2002. Franchise fee income derived from new openings and our co-branding activities was \$163,000

in the first quarter fiscal 2004 as compared to \$56,000 in the first quarter fiscal 2003. This increase was primarily attributable to the increase in the number of franchised units opened between the two periods. During the first quarter fiscal 2004, 10 new franchised units opened and two company-owned restaurants were franchised as compared to one new franchise opening during the first quarter fiscal 2003.

License royalties were \$870,000 in the first quarter fiscal 2004 as compared to \$811,000 in the first quarter fiscal 2003. The majority of this increase is attributable to revenues from new license agreements which were partly offset by a decrease in royalties earned from SFG, Inc., (previously known as SMG, Inc.), Nathans' licensee for the sale of Nathan's frankfurters within supermarkets and club stores.

Investment and other income increased by \$61,000 to \$188,000 in the first quarter fiscal 2004 versus \$127,000 in the first quarter fiscal 2003. During the first quarter fiscal 2004, Nathan's recognized a net gain of \$94,000 primarily in connection with the sale of a company-owned restaurant to a franchisee. In the first quarter fiscal 2003, Nathan's realized a gain of \$135,000 in connection with the early termination of a Branded Product Program sales agreement. During the first quarter fiscal 2003, Nathans' investment loss of approximately \$100,000 was primarily attributable to the Company's investment in limited partnership, which was liquidated during the third and fourth quarters of fiscal 2003.

Interest income was \$64,000 in the first quarter fiscal 2004 versus \$75,000 in the first quarter fiscal 2003 due primarily to lower interest income earned on its notes receivable as a result of the impairment charges recorded during the fiscal year ended March 30, 2003.

Costs and Expenses from Continuing Operations

Cost of sales from continuing operations decreased by \$379,000 from \$4,714,000 in the first quarter fiscal 2003 to \$4,335,000 in the first quarter fiscal 2004. During the first quarter fiscal 2004, restaurant cost of sales were lower than the first quarter fiscal 2003 by approximately \$869,000. Cost of sales were lower by approximately \$645,000 as a result of operating fewer company-owned restaurants during the first quarter fiscal 2004. The cost of restaurant sales at our comparable units as a percentage of restaurant sales was 60.1% in the first quarter fiscal 2004 as compared to 60.2% in the first quarter fiscal 2003 due primarily to lower labor and related costs which were partly offset by higher food costs. Higher costs of approximately \$490,000 were incurred in connection with the growth of our Branded Product Program and higher commodity costs during the first quarter fiscal 2004. Commodity costs of our hot dogs were higher during the first quarter fiscal 2004 than the first quarter fiscal 2003 as a result of supply shortages.

Restaurant operating expenses decreased by \$286,000 from \$1,468,000 in the first quarter fiscal 2003 to \$1,182,000 in the first quarter fiscal 2004. Restaurant operating costs were lower in the first quarter fiscal 2004 by approximately \$345,000, as compared to the first quarter fiscal 2003 as a result of operating fewer restaurants. The reduction in restaurant operating expenses from operating fewer restaurants was partially offset by higher insurance costs during the first quarter fiscal 2004.

Depreciation and amortization decreased by \$98,000 from \$355,000 in the first quarter fiscal 2003 to \$257,000 in the first quarter fiscal 2004. Depreciation expense was lower by approximately \$41,000 as a result of operating fewer company-owned restaurants and \$42,000 as a result of the impairment charges on long-lived assets recorded during fiscal 2003.

Amortization of intangibles was \$70,000 in the first quarter fiscal 2003 as compared to \$65,000 in the first quarter fiscal 2004.

General and administrative expenses decreased by \$183,000 to \$1,919,000 in the first quarter fiscal 2004 as compared to \$2,102,000 in the first quarter fiscal 2003. The decrease in general and administrative expenses was due primarily to lower personnel and incentive compensation expense of approximately \$96,000 resulting from the implementation of an expense reduction plan and lower bad debts expense of approximately \$61,000 which were partially offset by higher professional fees of approximately \$53,000.

Interest expense was \$14,000 during the first quarter fiscal 2004 as compared to \$39,000 during the first quarter fiscal 2003. The reduction in interest expense relates primarily to the repayment of outstanding loans between the two periods.

Impairment charge on long-lived assets of \$421,000 during the first quarter fiscal 2003 represents the write-down relating to three under-performing stores.

Provision for Income Taxes from Continuing Operations

In the first quarter fiscal 2004, the income tax provision on earnings before cumulative effect of change in accounting principle was \$502,000 or 40.3% of income before income taxes as compared to \$205,000 or 41.2% of income before income taxes in the first quarter fiscal 2003.

Discontinued operations

The first quarter fiscal 2003 included the results of operations of eight Company-owned restaurants, all of which were abandoned by March 30, 2003, including seven which were abandoned in connection with the Home Depot early lease terminations. Revenues generated by these eight restaurants were \$1,248,000 during the first quarter fiscal 2003. Income before income taxes from these restaurants was \$89,000 during the first quarter fiscal 2003.

Cumulative effect of change in accounting principle

In the first quarter fiscal 2003, we adopted SFAS No. 142, "Accounting for Goodwill and Other Intangibles." In connection with the implementation of this new standard, Goodwill, Trademarks, Trade Names and Recipes were deemed to be impaired and their carrying value was written down by \$13,192,000, or \$12,338,000, net of tax.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 29, 2003 aggregated \$1,858,000, increasing by \$443,000 during the first quarter fiscal 2004. At June 29, 2003, marketable securities and investment in limited partnership increased by \$606,000 from March 30, 2003 to \$5,229,000 and net working capital increased to \$6,933,000 from \$5,935,000 at March 30, 2003.

Cash provided by operations of \$916,000 in the first quarter fiscal 2004 is primarily attributable to net income of \$744,000, non-cash charges of \$349,000, including depreciation and amortization of \$336,000 and provision for doubtful accounts of \$13,000, in addition to decreases in prepaid expenses and other current assets of \$85,000 and an increase in other liabilities of \$304,000, which were partly offset by a decrease in accounts payable and accrued expenses of \$110,000, and an increase in notes and accounts receivable of \$392,000.

Cash used in investing activities of \$219,000 is comprised primarily of the purchase of available-for-sale securities of \$1,099,000, and capital expenditures of \$116,000 which were partly offset from proceeds from the sale of securities of \$500,000, proceeds from the sale of restaurants and other fixed assets of \$423,000 and repayments on notes receivable of \$73,000.

Cash used in financing activities of \$254,000 represents repurchases of 57,600 shares of common stock at a total cost of \$211,000 and repayments of notes payable and obligations under capital leases in the amount of \$43,000.

On September 14, 2001, Nathan's was authorized to purchase up to one million shares of its common stock. Pursuant to our stock repurchase program, we repurchased one million shares of common stock in open market transactions and a private transaction at a total cost of \$3,670,000 through the quarter ended September 29, 2002. On October 7, 2002, Nathan's was authorized to purchase up to one million additional shares of its common stock. Through June 29, 2003, Nathan's purchased 698,838 shares of common stock at a cost of approximately \$2,534,000. Subsequent to June 29, 2003, Nathan's purchased an additional 46,681 shares of common stock at a cost of approximately \$171,000. To date, Nathan's has purchased a total of 1,745,519 shares of common stock at a cost of approximately \$6,375,000. We expect to make additional purchases of stock from time to time, depending on market conditions, in open market or in privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the purchases. Nathan's expects to fund these stock repurchases from its operating cash flow.

We expect that we will make additional investments in certain existing restaurants in the future and to fund those investments from our operating cash flow. We do not expect to incur significant capital expenditures to develop new company-owned restaurants through March 29, 2004.

In connection with our acquisition of Miami Subs, we determined that up to 18 underperforming restaurants would be closed pursuant to our divestiture plan. To date, we have terminated leases on 16 of those properties, sold one of the remaining properties to a non-franchisee and are continuing to market the remaining property for sale. The sale of the restaurant was consummated on October 4, 2002. Since acquiring Miami Subs, we have accrued approximately \$1,461,000 and made payments of approximately \$1,273,000 for

lease obligations and termination costs, as part of the acquisition, for units having total future minimum lease obligations of \$7,680,000 that had remaining lease terms of one year up to approximately 17 years. We may incur future cash payments, consisting primarily of future lease payments, including costs and expenses associated with terminating additional leases, that were not part of our divestiture plan.

There are currently 32 properties that we either own or lease from third parties which we lease or sublease to franchisees, operating managers and non-franchisees. Additionally, there are currently 3 vacant properties which were previously sublet to franchisees. We remain contingently liable for all costs associated with these properties including: rent, property taxes and insurance. Additionally, we guaranteed financing on behalf of certain franchisees with two third-party lenders. Our maximum obligation for loans funded by the lenders as of June 29, 2003 was approximately \$818,000.

The following schedules represent Nathan's cash contractual obligations and the expiration of other contractual commitments by maturity (in thousands):

Cash Contractual Obligations	Total	Less than 1 Year	Payments Due by Period		
			1 - 3 Years	4-5 Years	After 5 Years
Long-Term Debt	\$ 1,125	\$ 167	\$ 333	\$ 333	\$ 292
Capital Lease Obligations	58	6	14	17	21
Employment Agreements	1,061	748	313	--	--
Operating Leases	25,032	4,234	8,167	6,660	5,971
Gross Cash Contractual Obligations	27,276	5,155	8,827	7,010	6,284
Sublease Income	13,879	2,213	4,298	3,558	3,810
Net Cash Contractual Obligations	\$13,397	\$ 2,942	\$ 4,529	\$ 3,452	\$ 2,474

Other Contractual Commitments	Total Amounts Committed	Amount of Commitment Expiration Per Period			
		Less than 1 Year	1 - 3 Years	4-5 Years	After 5 Years
Loan Guarantees	\$ 818	\$ 304	\$ 322	\$ 192	--
Total Commercial Commitments	\$ 818	\$ 304	\$ 322	\$ 192	--

Management believes that available cash, marketable investment securities, and internally generated funds should provide sufficient capital to finance our operations for at least the next twelve months. We maintain a \$7,500,000 uncommitted bank line of credit and have never borrowed any funds under this line of credit.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

CASH AND CASH EQUIVALENTS

We have historically invested our cash and cash equivalents in short term, fixed rate, highly rated and highly liquid instruments which are reinvested when they mature throughout the year. Although our existing investments are not considered at risk with respect to changes in interest rates or markets for these instruments, our rate of return on short-term investments could be affected at the time of reinvestment as a result of intervening events. As of June 29, 2003, Nathans' cash and cash equivalents aggregated \$1,858,000. Earnings on these cash and cash equivalents would increase or decrease by approximately \$4,600 per annum for each .25% change in interest rates.

MARKETABLE INVESTMENT SECURITIES

We have invested our marketable investment securities in intermediate term, fixed rate, highly rated and highly liquid instruments. These investments are subject to fluctuations in interest rates. As of June 29, 2003, the market value of Nathans' marketable investment securities aggregated \$5,229,000. Interest income on these marketable investment securities would increase or decrease by approximately \$13,100 per annum for each .25% change in interest rates. The following chart presents the hypothetical changes in the fair value of the marketable investment securities held at June 29, 2003 that are sensitive to interest rate fluctuations (in thousands):

	Valuation of securities Given an interest rate Decrease of X Basis points			Fair Value	Valuation of securities Given an interest rate Increase of X Basis points		
	(150BPS)	(100BPS)	(50BPS)		+50BPS	+100BPS	+150BPS
Municipal notes and bonds	\$5,446	\$5,366	\$5,287	\$5,211	\$5,137	\$5,065	\$4,994

BORROWINGS

The interest rate on our borrowings are generally determined based upon the prime rate and may be subject to market fluctuation as the prime rate changes as determined within each specific agreement. We do not anticipate entering into interest rate swaps or other financial instruments to hedge our borrowings. At June 29, 2003, total outstanding debt, including capital leases, aggregated \$1,183,000 of which \$1,125,000 is at risk due to changes in interest rates. The current interest rate is 4.50% per annum and will adjust in January 2006 and 2009 to prime plus .25%. Nathan's also maintains a \$7,500,000 credit line which bears interest at the prime rate (4.25% at June 29, 2003). The Company has never borrowed any funds under this line. Accordingly, the Company does not believe that fluctuations in interest rates would have a material impact on its financial results.

COMMODITY COSTS

The cost of commodities are subject to market fluctuation. We have not attempted to hedge against fluctuations in the prices of the commodities we purchase using future, forward, option or other instruments. As a result, our future commodities purchases are subject to changes in the prices of such commodities. Generally, we attempt to pass through permanent increases in our commodity prices to our customers, thereby reducing the impact of long-term increases on our financial results. A short term increase or decrease of 10% in the cost of our food and paper products for the entire fifty-two weeks ended June 29, 2003 would have increased or decreased cost of sales by approximately \$287,000.

FOREIGN CURRENCIES

Foreign franchisees generally conduct business with us and make payments in United States dollars, reducing the risks inherent with changes in the values of foreign currencies. As a result, we have not purchased future contracts, options or other instruments to hedge against changes in values of foreign currencies and we do not believe fluctuations in the value of foreign currencies would have a material impact on our financial results.

Item 4. Controls and Procedures

(a) Under the supervision and with the participation of our Chief Executive Officer ("CEO"), Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") the Company's disclosure controls and procedures were evaluated as of a date 90 days prior to the filing of this report. Based on that evaluation, the Company's CEO, COO and CFO concluded that the company's disclosure controls and procedures were effective.

(b) Our CEO, COO and CFO are involved in ongoing evaluations of our internal controls. There have been no significant changes in our internal controls or in other factors that could significantly affect our internal controls subsequent to their last evaluation.

FORWARD LOOKING STATEMENT

Certain statements contained in this report are forward-looking statements. Forward-looking statements represent our current judgment regarding future events. Although we would not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy and actual results may differ materially from those we anticipated due to a number of uncertainties, many of which we are not aware. These risks and uncertainties, many of which are not within our control, include, but are not limited to: economic, weather, legislative and business conditions; the collectibility of receivables; the availability of suitable restaurant sites on reasonable rental terms; changes in consumer tastes; the ability to continue to attract franchisees; the ability to purchase our primary food and paper products at reasonable prices; no material increases in the minimum wage; and our ability to attract competent restaurant and managerial personnel. We generally identify forward-looking statements with the words "believe," "intend," "plan," "expect," "anticipate," "estimate," "will," "should" and similar expressions.

PART II. OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

We and our subsidiaries are from time to time involved in ordinary and routine litigation. We are also involved in the following litigation:

Elizabeth B. Jackson and Joseph Jackson commenced an action, for unspecified damages, in the Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida in September 2001 against Miami Subs and EKFD Corporation, a Miami Subs franchisee ("the franchisee") claiming negligence in connection with a slip and fall which allegedly occurred on the premises of the franchisee. Pursuant to the terms of the Miami Subs Franchise Agreement, the franchisee is obligated to indemnify Miami Subs and hold them harmless against claims asserted and procure an insurance policy which named Miami Subs as an additional insured. Miami Subs has denied any liability to Plaintiffs and has made demand upon the franchisee's insurer to indemnify and defend against the claims asserted. The insurer has agreed to indemnify and defend Miami Subs and has assumed the defense of this action for Miami Subs.

ITEM 4: SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS

None

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of the Chief Operating Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.3 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification by Howard M. Lorber, CEO, Nathan's Famous, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification by Ronald G. DeVos, CFO, Nathan's Famous, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) No reports on Form 8-K were filed during the quarter ended June 29, 2003.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NATHAN'S FAMOUS, INC.

Date: August 12, 2003

By: /s/Wayne Norbitz

Wayne Norbitz
President and Chief Operating Officer
(Principal Executive Officer)

Date: August 12, 2003

By: /s/Ronald G. DeVos

Ronald G. DeVos
Vice President - Finance
and Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION

I, Howard M. Lorber, Chief Executive Officer, of Nathan's Famous, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nathan's Famous, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 12, 2003

/s/ Howard M. Lorber

Howard M. Lorber
Chief Executive Officer

CERTIFICATION

I, Wayne Norbitz, President and Chief Operating Officer, of Nathan's Famous, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nathan's Famous, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 12, 2003

/s/Wayne Norbitz

Wayne Norbitz
President and Chief Operating Officer

CERTIFICATION

I, Ronald G. DeVos, Chief Financial Officer, of Nathan's Famous, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nathan's Famous, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 12, 2003

/s/ Ronald G. DeVos

Ronald G. DeVos
Chief Financial Officer

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard M. Lorber, Chief Executive Officer of Nathan's Famous, Inc., certify that:

The Form 10-Q of Nathan's Famous, Inc. for the period ended June 29, 2003 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Nathan's Famous, Inc.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and, except to the extent required by the Sarbanes-Oxley Act, shall not be deemed to be filed as part of the periodic report described herein nor shall it be deemed filed by Nathan's Famous, Inc. for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ Howard M. Lorber

Name: Howard M. Lorber

Date: August 12, 2003

A signed original of this written statement required by Section 906 has been provided to Nathan's Famous, Inc. and will be retained by Nathan's Famous, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald, G. DeVos, Chief Financial Officer of Nathan's Famous, Inc., certify that:

The Form 10-Q of Nathan's Famous, Inc. for the period ended June 29, 2003 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Nathan's Famous, Inc.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and, except to the extent required by the Sarbanes-Oxley Act, shall not be deemed to be filed as part of the periodic report described herein nor shall it be deemed filed by Nathan's Famous, Inc. for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ Ronald G. DeVos

Name: Ronald G. DeVos

Date: August 12, 2003

A signed original of this written statement required by Section 906 has been provided to Nathan's Famous, Inc. and will be retained by Nathan's Famous, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.