

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-12919

PIZZA INN, INC.
401(K) SAVINGS PLAN
(Full title of plan)

PIZZA INN, INC.
3551 PLANO PARKWAY
THE COLONY, TEXAS 75056

(name of the issuer of the securities held pursuant to the plan and the address
of its principal executive office)

PIZZA INN, INC.
401(K) SAVINGS PLAN

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
YEARS ENDED DECEMBER 31, 2004 AND 2003

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Note: Other schedules required by Section 2520.103 - 10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act ("ERISA") of 1974 have been omitted because they are not applicable.

To the Participants and Administrator
 Pizza Inn, Inc. 401(k) Savings Plan:

We have audited the accompanying statement of net assets available for benefits of the Pizza Inn, Inc. 401(k) Savings Plan (the "Plan") as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of the Plan are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the 2004 basic financial statements taken as a whole.

/s/ BDO Seidman, LLP

Dallas, Texas
 June 10, 2005

PIZZA INN, INC. 401(K) SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,	2004	2003
ASSETS		
Investments, at fair value:		
Mutual funds	\$1,744,657	\$1,251,946
Common/collective fund	280,916	335,597
Pizza Inn, Inc. common stock, at market value (281,306 and 411,840 shares at December 31, 2004 and 2003, respectively)	677,526	1,060,487
Participant loans	133,329	142,834
Total investments	2,836,428	2,790,864
LIABILITIES:		
Excess contributions payable		9,755
NET ASSETS AVAILABLE FOR BENEFITS	\$2,836,428	\$2,781,109

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31,	2004

ADDITIONS	
Investment income:	
Net appreciation in the fair value of investments	\$ 63,616
Interest and dividends	69,934

Total investment income	133,550

Contributions:	
Participants contributions	367,670
Employer contributions	58,488
Rollover contributions	60,526

Total contributions	486,684

Total additions	620,234

DEDUCTIONS	
Benefits paid to participants and other deductions	564,915

Total deductions	564,915

Net increase	55,319
Net assets available for benefits, beginning of year	2,781,109

Net assets available for benefits, end of year . . .	\$2,836,428

See accompanying notes to financial
statements.

PIZZA INN, INC. 401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the Plan's provisions provides only general information. Participants should refer to the Plan agreement for more complete information regarding the Plan's definitions, benefits, eligibility and other matters.

General - Pizza Inn, Inc. 401(k) Savings Plan ("Plan") was approved

and adopted by the board of directors of Pizza Inn, Inc. (the "Company") on May 30, 1985 and was implemented on July 1, 1985. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is qualified under sections 401(a), 401(k) and 501(a) of the Internal Revenue Code ("Code") and, accordingly, is exempt from federal income taxes. On January 1, 2002, the Plan was amended to comply with the Economic Growth and Tax Relief Reconciliation Act signed into law on June 8, 2001. The financial statements are prepared with the assumption that the Plan has maintained its exemption under the Code (see Note 3).

Administration - The Company is responsible for the administration and

operation of the Plan. Wells Fargo Retirement Plan Services (the "Recordkeeper") has been retained to provide recordkeeping services for the Plan. The Wells Fargo Trust Operations is responsible for the custody and management of the Plan's assets.

Participation - The Plan participation requirements allow employees

who have six months of service with the Company and who are 21 years of age or older to participate in the Plan.

Participants can defer up to 30% of their salary toward Plan contributions. Matching contributions can be made at the discretion of the Company. Effective July 1, 2004, the Company elected to suspend matching the participants' contributions. Company matching contributions from January 1, 2004 to June 30, 2004 equaled 50% up to the first 4% of the participants' contributions. The matching Company contribution is invested directly in Pizza Inn, Inc. common stock. Effective July 8, 2003, participants were able to move the employer matching contributions out of the Pizza Inn, Inc. common stock and into other investment options. In addition, at the election of the board of directors, the Company may make discretionary contributions. There were no additional discretionary contributions made for the year ended December 31, 2004. Rollover contributions from other qualified plans can be added to the plan by eligible participants.

For the plan year ended December 31, 2004, the Plan passed the average deferral percentage discrimination testing. For the plan year ended December 31, 2003, the Plan failed the average deferral percentage discrimination testing. In order to continue as a qualified plan, the excess participant contributions were refunded to participants during the 2004 plan year. Such amounts refunded to participants are reflected as excess contributions payable to participants on the statement of net assets available for benefits at December 31, 2003.

Participant Accounts - Each participant's account is credited with the

participant's contribution and an allocation of the Company's contribution and plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested accounts. Participants may direct the investment of their account balances into various investment options offered by the Plan. Currently, the Plan offers eleven mutual funds, one common/collective fund and common stock of the Plan sponsor as investment options for participants.

Vesting - Participant contributions, and the earnings thereon, are

fully and immediately vested. Company contributions vest at the rate of 25% per year over four years of service.

Forfeitures - Forfeitures of unvested Company matching contributions

by terminated employees are accumulated and periodically applied to reduce the Company's matching contributions for the applicable plan year. The unallocated forfeited, nonvested account balance as of December 31, 2004 and 2003 was \$1,286 and \$0, respectively. Employer contributions were reduced by \$2,709 from forfeited, nonvested accounts during the year ended December 31, 2004.

Participant Loans - Participants may obtain a loan from the Plan in an

amount not to exceed 50% of their vested balance up to a maximum of \$50,000. The minimum loan available is \$1,000. Loans bear interest at a rate of 2% over prime and are collateralized by the participant's vested account balance. Loan principal and interest is repaid ratably through monthly payroll deductions over a maximum period of five years, except for the purchase of a principal residence, which may be repaid over a reasonable period of time that may be longer than five years.

Payment of Benefits - Terminated participants are entitled to receive

100% of their contributions to the Plan and any income or loss thereon, as well as their vested portion of the Company contributions and any income or loss thereon. Generally, benefits attributable to employer contributions are not payable prior to termination. However, hardship distributions of a portion of the employee's contribution and employer's contribution, to the extent vested, may be made to the participant in certain situations, as defined in the Plan.

Terminated employees may continue to participate in the Plan, and the expenses related to their participation are paid by the Company.

Plan Termination - Although it has not expressed any intent to do so,

the Company maintains the right to terminate the Plan at any time. In the event that the Plan is terminated, the participants become 100% vested in their accounts.

Administrative Expenses - The Company pays substantially all administrative expenses associated with the administration of the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Plan's financial statements are presented using the accrual method of accounting in conformity with generally accepted accounting principles.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ significantly from those estimates.

Investments and Investment Income - The Plan's investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments in mutual funds and stocks, it is at least reasonably possible that changes in the values of such investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

The investments are valued at fair value or the ending net asset value on the last business day of the Plan year. Investments in the Company's common stock are valued at the fair value as determined by the closing quoted market price on December 31, 2004. Purchases and sales of securities are recorded on a trade-date basis.

Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

Determination of Unrealized Appreciation/Depreciation and Gain or Loss on Investments - The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses, and the unrealized appreciation (depreciation) on those investments.

Unrealized appreciation or depreciation in the fair value of investments held at year-end and gain or loss on sale of investments during the year are determined using the fair value at the beginning of the year or purchase price if acquired during the year.

Participant Loans - Participant loans are valued at original loan value, plus accrued interest, less principal repayments, which approximates fair value. Interest rates on the loans range from 6% to 11% at December 31, 2004.

Payment of Benefits - Benefits are recorded when paid.

3. TAX STATUS OF THE PLAN

Management believes that the Plan is qualified under section 401(a) of the Internal Revenue Code and therefore, the Plan is exempt from taxation under section 501(a). The Internal Revenue Service ("IRS") granted a favorable letter of determination to the Plan in 1986. During 1997 and 2001, the Company received favorable letters of determination from the IRS for amendments to the Plan. Generally, contributions to a qualified plan are deductible by the Company when made. Earnings of the Plan are tax deferred and participants are not taxed on their benefits until withdrawn from the Plan.

Management is unaware of any variations in the operation of the Plan from the terms of the Plan documents, as amended. Management believes the Plan is qualified under the applicable sections of the Code and the Employee Retirement Income Security Act of 1974 ("ERISA").

4. INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets:

December 31,	2004	2003
Pizza Inn, Inc. common stock. . .	\$677,526	\$1,060,487

Wells Fargo Stable Return EBT Fund	280,916	335,597
Janus Fund	305,956	324,331
Franklin Small-Cap Growth Fund . .	208,024	283,306
MFS Mid-Cap Growth Fund		178,430
Participant Loans		142,834
Fidelity Advisors High Yield Fund	166,005	
MFS Total Return A	188,359	
Wells Fargo Index	167,307	
American Century Equity Income . .	168,441	
Strong Small Cap Value	203,161	

Total investments greater than 5%	2,365,695	2,324,985
Total investments less than 5%	470,733	465,879

Total investments	\$ 2,836,428	\$ 2,790,864

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$63,616 as follows:

Year ended December 31, . . .	2004	2003

Common/collective fund . . .	\$ 11,454	\$ 8,643
Mutual funds	119,335	308,442
Pizza Inn, Inc. common stock	(67,173)	\$110,888

	\$ 63,616	\$427,973

5. NON-PARTICIPANT DIRECTED INVESTMENTS

Employer contributions are automatically invested in Pizza Inn, Inc. common stock. Employees also have the option of investing their contribution, or a portion thereof, in Pizza Inn, Inc. common stock. Effective July 8, 2003, the Plan was amended to allow participants to move employer contributions from employer common stock to other investment options provided by the Plan. Since the activity of the nonparticipant-directed and participant-directed investments are combined, the entire investment option is considered nonparticipant-directed for purposes of this disclosure. Information about the net assets and the significant components of the changes in net assets relating to nonparticipant-directed investments is as follows:

December 31,	2004	2003

NET ASSETS:		
Pizza Inn, Inc. common stock	677,526	1,060,487

Year Ended December 31,	2004

CHANGES IN NET ASSETS	
Contributions	\$ 106,863

Net depreciation	(67,173)
Benefits paid to participants	(113,169)
Transfers from participant-directed investments	(309,482)

\$(382,961)

6. PARTY-IN-INTEREST TRANSACTIONS

One of the Plan's investments options is in shares of Pizza Inn, Inc. Common Stock. Pizza Inn, Inc. sponsors the Plan; therefore, the related transactions are deemed party-in-interest transactions. The Plan recorded purchases of \$154,729 and sales of \$445,961 of the Company's stock during the year ended December 31, 2004.

Certain Plan investments are shares of mutual funds managed by Wells Fargo or its affiliates. This institution serves as trustee to the Plan and, therefore, these investments are deemed party-in-interest transactions. In addition, the Plan has a program to provide loans to participants and therefore these also are deemed party-in-interest transactions.

7. SUBSEQUENT EVENT

Effective January 1, 2005, the Plan changed the plan Recordkeeper from Wells Fargo Retirement Plan Services to BISYS Retirement Services. The Retirement Group at Merrill Lynch is responsible for the custody and management of the Plan's assets.

SUPPLEMENTAL SCHEDULES

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 47-0654575
Plan Number: 005

December 31, 2004

Schedule I

(a)	(b)	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
* Pizza Inn, Inc.		Common Stock	**	\$677,526
* Wells Fargo Stable Return Fund		Common/Collective fund	**	280,916
Fidelity Advisors High Yield Fund		Mutual Fund	**	166,005
MFS Mid-Cap Growth Fund		Mutual Fund	**	115,816
Strong Small Cap Value		Mutual Fund	**	203,161
MFS Total Return A		Mutual Fund	**	188,359
Franklin Small-Cap Growth Fund		Mutual Fund	**	208,024
American Century International Growth Fund		Mutual Fund	**	72,665
* Wells Fargo Diversified Bond Fund		Mutual Fund	**	38,709
Janus Fund		Mutual Fund	**	305,956
Van Kampen Comstock A		Mutual Fund	**	110,214
American Century Equity Income Fund		Mutual Fund	**	168,441
* Wells Fargo Index Fund		Mutual Fund	**	167,307
* Participant loans		General purpose loans, maturing from 2003-2007 bearing interest at 6.25% to 11.5%	**	133,329
Total assets held for investment purposes				\$ 2,836,428

* Party-in interest
** Cost not required for participant-directed investments.

See accompanying Report of Independent Registered Accounting Firm

SCHEDULE OF REPORTABLE TRANSACTIONS

EIN: 47-0654575
Plan Number: 005

Year Ended December 31, 2004

Schedule II

(a)	(b)	(c)	(d)	(g)	(i) Net Gain or (Loss)
Identity of Party	Description of Asset	Purchase Price	Selling Price	Cost of Asset	

Series of transactions within the plan year with respect to securities of the same issue that, when aggregated, involve more than 5% of the current value of plan assets:

Pizza Inn, Inc.	Common Stock	\$	154,729			
Pizza Inn, Inc.	Common Stock	\$	445,961	428,088		17,873

See accompanying Report of Independent Registered Accounting Firm

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Administrative Committee for the
Pizza Inn, Inc. 401(k) Savings Plan

DATE June 28, 2005 By:/s/ Susan Milliman
Susan Milliman
Member of the Pizza Inn, Inc.
401(k) Savings Plan
Administrative Committee

Pizza Inn, Inc. 401(k) Savings Plan
Dallas, Texas

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-56590) of Pizza Inn, Inc. of our report dated June 10, 2005 relating to the financial statements and supplemental schedules of the Pizza Inn, Inc. 401(k) Savings Plan as of and for the year ended December 31, 2004 which appears in this Form 11-K.

/s/ BDO Seidman, LLP

Dallas, Texas
June 23, 2005