

## **For Immediate Release**

### **Attention Business Editors:**

### **Pizza Pizza Royalty Income Fund Announces December Distribution and 2007 Return of Capital Percentage**

**Toronto, December 12, 2007** - Pizza Pizza Royalty Income Fund (the "Fund") (TSX: PZA.UN) today announced a cash distribution of \$0.076 per unit for the month of December, 2007. The distribution will be payable to unitholders of record at the close of business on December 31, 2007, and will be paid on January 15, 2008.

For those unitholders holding units outside a tax deferred plan, the Trustees of the Fund have estimated that the 2007 distributions will be treated as 65% taxable income and 35% as a return of capital. The proportion of these figures may change when the actual results for the fiscal year are calculated. Discretionary deductions available to the Fund that are not fully utilized this year will remain available to the Fund in subsequent taxation years as part of its overall tax planning strategy.

### **About the Fund**

The Fund is a limited purpose, open-ended trust established under the laws of Ontario to indirectly acquire the trademarks and trade names used by Pizza Pizza Limited ("Pizza Pizza") in its Pizza Pizza and Pizza 73 branded restaurants. Since its initial public offering in 2005, the Fund has increased distributions five times. The last distribution increase was in September 2007 when monthly distributions were increased by 4% from \$0.073 per unit to \$0.076 per unit.

A key attribute of the Fund is that it is based on top-line, system sales of the Royalty Pool restaurants and not on the profitability of either Pizza Pizza or the restaurants in the Royalty Pool. The success of the Fund depends primarily on the ability of Pizza Pizza to maintain and increase system sales of the Royalty Pool and to meet its royalty obligations.

The Fund's trust units are listed on the Toronto Stock Exchange under the symbol PZA.UN.

### **For further information:**

Curtis Feltner, Chief Financial Officer, Pizza Pizza Limited  
Telephone: (416) 967-1010  
[cfeltner@pizzapizza.ca](mailto:cfeltner@pizzapizza.ca)

Christine D'Sylva, Investor Relations, Pizza Pizza Limited  
Telephone: (416) 967-1010  
[cgsylva@pizzapizza.ca](mailto:cdsylva@pizzapizza.ca)

Web: [www.pizzapizzaroyaltyincomefund.com](http://www.pizzapizzaroyaltyincomefund.com), [www.pizzapizza.ca](http://www.pizzapizza.ca) and [www.pizza73.com](http://www.pizza73.com) or [www.sedar.com](http://www.sedar.com).