

For Immediate Release

Attention Business Editors:

Pizza Pizza Royalty Income Fund Announces August Distribution

Toronto, August 16, 2007 - Pizza Pizza Royalty Income Fund (the "Fund") (TSX: PZA.UN) today announced a cash distribution of \$0.073 per unit for the month of August 2007. The distribution will be payable to unitholders of record at the close of business on August 31, 2007, and will be paid on September 14, 2007.

About the Fund, a publicly-traded entity

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. The Pizza Pizza trademarks were licensed to Pizza Pizza in 2005 for 99 years, for which Pizza Pizza pays the Fund a royalty equal to 6% of the system sales of its Pizza Pizza restaurants in the Royalty Pool. As of January 1, 2007, there were 531 Pizza Pizza restaurants in the Royalty Pool. Effective July 24, 2007, the Fund acquired the Pizza 73 trademarks and licensed them to Pizza Pizza, for which Pizza Pizza pays the Fund a royalty equal to 9% of the system sales of the 41 Pizza 73 restaurants added to the Royalty Pool.

Since its initial public offering in 2005, the Fund has increased distributions four times while maintaining an average of 5% same restaurant sales growth at its Pizza Pizza restaurants. The last distribution increase was in January 2007 when monthly distributions were increased from \$0.071 per unit to \$0.073 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.

ABOUT PIZZA PIZZA LIMITED

Pizza Pizza Limited, a privately-held Canadian corporation, is one of Canada's most successful operators in the quick service restaurant industry. It operates franchised and corporate restaurants under the brand names Pizza Pizza and Pizza 73. The Pizza Pizza brand is celebrating its 40th anniversary this year and dominates the Ontario pizza QSR. Founded in 1967, Pizza Pizza is guided by a mission to provide the "best food, made especially for you" and a focus on quality ingredients, customer service, community contribution and continual innovation, especially in offering health-conscious menu choices. The Pizza 73 brand, founded in 1985, operates primarily in Alberta in the take-out and delivery pizza QSR segment.

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