

## **For Immediate Release**

### **Attention Business Editors:**

#### **Pizza Pizza Royalty Income Fund Announces July Distribution and Sales Growth**

**Toronto, July 20, 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 July 2007. The distribution will be payable to unitholders of record at the close of business on July 31, 2007, and will be paid on August 15, 2007.

Business activities underlying the Fund continued to be solid in the second quarter ended June 30, 2007 as Pizza Pizza Limited experienced 4.3% same-store sales growth over the same period last year. System Sales of the Pizza Pizza restaurants in the Royalty Pool for the second quarter increased by \$6.1 million or 7.1% to \$92.2 million compared to \$86 million for the same quarter in the prior year. The increase in sales reflects the impact of sales generated by new restaurants in the Royalty Pool and an increase in same store sales.

### **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 in its restaurants. The trademarks were licensed to Pizza Pizza in July 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.

Since its initial public offering in 2005, the Fund has increased distributions four times while maintaining a 5% same restaurant sales growth. 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's structure is the fact that it is a "top-line" fund. Royalty income of the Fund is based on top-line system sales of the royalty pool restaurants and is not determined by the profitability of either Pizza Pizza or the Pizza Pizza restaurants in the royalty pool. Given this structure, the success of the Fund depends primarily on the ability of Pizza Pizza to maintain and increase system sales of the royalty pool.

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 and is celebrating its 40<sup>th</sup> anniversary this year. 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.

### **For further information:**

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