

For Immediate Release

Attention Business Editors:

Pizza Pizza Royalty Income Fund Increases September Distribution by 4%

Toronto, September 4, 2007 – Today the Pizza Pizza Royalty Income Fund (the “Fund”) (TSX: PZA.UN) announced a 4% increase in its monthly cash distribution. This is the fifth distribution increase since the Fund’s 2005, initial public offering.

For the period September 1 to September 30, the distribution per unit will increase to \$0.076 from \$0.073 payable October 15, 2007 to unitholders of record at the close of business on September 28, 2007.

The increase is partially attributable to Pizza Pizza’s acquisition of Pizza 73, Inc. on July 24, 2007.

“Pizza Pizza, while continuing its strong same store sales growth in Ontario, has been working on a Western Canadian expansion plan, as announced at the time of the Fund’s initial public offering in 2005,” stated Michael Overs, Chairman of Pizza Pizza Limited. “This represents an ideal acquisition for Pizza Pizza, as Pizza 73 has achieved impressive growth, is a market leader in the Alberta quick service restaurant pizza sector, and the Pizza 73 brand is well recognized throughout Alberta. We look forward to working with Pizza 73’s management and owner/operators to expand their restaurant network and continue to grow system sales and the great Pizza 73 brand.”

ABOUT PIZZA 73

Founded in 1985, Pizza 73, with its recognizable phone numbers ending in “7373”, currently has 48 restaurants in its system. Pizza 73 operates in the take-out and delivery pizza quick service restaurant (“QSR”) segment, principally in the province of Alberta. Pizza 73 currently has four locations outside of Alberta; three in Saskatchewan and one in British Columbia. Pizza 73 restaurants are not franchised, but instead are owned and operated as independent businesses. Each restaurant is a corporation equally owned by an independent owner/operator and Pizza Pizza Limited which will support the independent owner/operators with new restaurant openings, product development and supplier arrangements and a centralized marketing program funded by contributions from each restaurant equal to approximately 8% of Pizza 73 annual sales. The Pizza 73 business also includes two commissaries and a call centre. Trademarks and other intellectual property used in the restaurant system are owned by the Fund.

About the Fund, a publicly-traded entity

The Fund is a limited purpose, open-ended trust established under the laws of Ontario. The Fund, through a subsidiary, has acquired the trademarks and trade names used in Pizza Pizza and Pizza 73 branded restaurants. The Pizza Pizza trademarks were licensed to Pizza Pizza Limited in 2005 for 99 years, for which it pays the Fund a royalty equal to 6% of the system sales of its Pizza Pizza restaurants in the Royalty Pool. Effective July 24, 2007, the Fund acquired the Pizza 73 trademarks and trade names and licensed them to Pizza Pizza Limited, for which it pays the Fund a royalty equal to 9% of the system sales of the 41 Pizza 73 restaurants added to the Royalty Pool. By adding these 41 Pizza 73 restaurants to the 531 Pizza Pizza restaurants already in the pool, the Fund’s Royalty Pool is 572 restaurants for the remainder of 2007.

A key attribute of the Fund is that revenues are based on top-line, system sales of the Royalty Pool restaurants and not on the profitability of either Pizza Pizza Limited or the restaurants in the Royalty Pool. The success of the Fund depends primarily on the ability of Pizza Pizza

Limited 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 QSR 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. The Pizza 73 brand is celebrating its 22nd anniversary and was recently awarded the distinction of being named one of Canada's "50 Best Managed" companies for 2006. Pizza Pizza Limited 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.

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