

For Immediate Release

Attention Business Editors:

Pizza Pizza Royalty Income Fund Announces May Distribution and 2008 Return of Capital Estimate

Toronto, May 21, 2008 - Pizza Pizza Royalty Income Fund (the "Fund") (TSX: PZA.UN) today announced a cash distribution of \$0.076 per unit for the month of May, 2008. The distribution will be payable to unitholders of record at the close of business on May 31, 2008, and will be paid on June 13, 2008.

For those unitholders holding units outside a tax deferred plan, the Fund estimates that the 2008 distributions will be treated as 95% taxable income and 5% 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. The Fund, indirectly through the Pizza Pizza Royalty Limited Partnership (the "Partnership"), has acquired the trademarks and trade names used by Pizza Pizza Limited ("the Company") in its Pizza Pizza and Pizza 73 restaurants. The Pizza Pizza trademarks were licensed to the Company in 2005 for 99 years, for which the Company pays the Fund a royalty equal to 6% of the system sales of its Pizza Pizza restaurants in the Royalty Pool. There are 559 Pizza Pizza restaurants in the Royalty Pool for 2008. On July 24, 2007, the Partnership acquired the trademarks and other intellectual property of Pizza 73 (the "Pizza 73 Rights") and licensed them to the Company for 99 years, for which the Company pays the Fund a royalty equal to 9% of the system sales of the 50 Pizza 73 restaurants in the Royalty Pool for 2008. The 2008 Royalty Pool has 609 total restaurants.

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 the Company or the restaurants in the Royalty Pool. Moreover, the Fund is not subject to the variability of earnings or expenses of the operating companies. The Fund's only expenses are administration expenses and the interest on debt. Thus, the success of the Fund depends primarily on the ability of Pizza Pizza to maintain and increase system sales of the Royalty Pool restaurants and to meet its royalty obligations.

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

Forward Looking Information

Certain statements in this report may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this report, such statements include such words as "may", "will", "expect", "believe", "plan", and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this report. These forward-looking statements involve a number of risks and uncertainties. The following are some factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking statements: competition; changes in demographic trends; changing consumer preferences and discretionary spending patterns; changes in national and local business and economic conditions; legislation and governmental regulation; accounting policies

and practices; and the results of operations and financial condition of Pizza Pizza. The foregoing list of factors is not exhaustive.

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