

## **For Immediate Release**

**Attention Business Editors:**

### **Pizza Pizza Royalty Income Fund Announces First Quarter Sales Growth and April Distribution**

Toronto, April 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 April, 2008. The distribution will be payable to unitholders of record at the close of business on April 30, 2008, and will be paid on May 15, 2008.

#### **Sales Growth**

Pizza Pizza Limited posted same store sales growth (SSSG) of 3.7% for the 13-week quarter ended March 30, 2008 when compared to the same 13-week quarter in 2007. SSSG is the key driver of yield growth for Fund unitholders and includes results of Pizza 73 restaurants.

System Sales for the 609 restaurants in the Royalty Pool increased 27% for the quarter to \$113.5 million compared to \$89.5 million for the same quarter in 2007. Sales from the 559 Pizza Pizza restaurants were \$94 million and sales from the 50 Pizza 73 restaurants were \$19.5 million. Sales benefited from the addition of 37 net, new restaurants to the Royalty Pool on January 1, 2008, plus the addition of 41 Pizza 73 restaurants in July 2007, as well as the positive same store sales growth.

Some retailers may report first quarter sales increases related to an extra day in February due to 2008 being a leap year. Pizza Pizza's sales growth does not include an extra day related to the leap year, since sales growth is measured on a comparable 13-week basis as opposed to a calendar quarter.

"Pizza Pizza is pleased to report continued, positive sales growth. Our marketing initiatives have proven effective in an Ontario market which continues to lose manufacturing jobs and experience declining tourism", said Curt Feltner, Chief Financial Officer. "Consumers in our industry are price sensitive. At Pizza Pizza, we have been absorbing commodity and gasoline price increases over the recent months but may be forced to pass along some of these costs to consumers in the second quarter."

#### **Restaurants**

During the quarter, the Pizza Pizza brand added 1 traditional and 1 non-traditional location and closed 3 non-traditional locations; the Pizza 73 brand added 4 non-traditional locations. The total number of locations for both brands, including those not yet vended into the Royalty Pool, is 619 at March 30, 2008.

#### **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 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.

**For further information:**

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