

MTY FOOD GROUP INC.
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July 7, 2016

TSX Trading Symbol: "MTY"

NEWS RELEASE

MTY REPORTS RESULTS FOR THE SECOND QUARTER OF ITS 2016 FISCAL PERIOD

Montreal, July 7, 2016 - MTY Food Group Inc. ("MTY" or the "Company") (TSX: MTY), franchisor and operator of multiple concepts of restaurants, reports today the results of its operations for the second quarter of its 2016 fiscal year.

Highlights of the second quarter of 2016:

- EBITDA for the franchising segment increased by 1% in spite of the legal and consulting charges related to the acquisition of Kahala Brands Ltd.
- Consolidated EBITDA decreased by 5% mostly due to a weaker performance of the corporate stores segment
- Net income attributable to owners decreased by 2% compared to the second quarter of 2015
- Cash flows from operations grew by 5%. At the end of the quarter, the company had \$43.6 million in cash, net of the line of credit of one of its subsidiaries.
- Same store sales were down by 0.5% during the quarter, with continuing difficult economic conditions prevailing in Alberta and Saskatchewan.
- System sales increased by 2%, to reach \$274.8 million in the second quarter of 2016.
- At the end of the quarter, MTY's network had 2,688 locations in operations, of which 39 were corporate and 2,649 franchised.

(in thousands of \$, except per share information)

	Three-month period ended			Six-month period ended		
	May 31, 2016	May 31, 2015	Variance	May 31, 2016	May 31, 2015	Variance
Revenues	35,362	38,355	(8%)	70,682	70,719	(0%)
Operating Expenses	22,542	24,911	(10%)	45,756	46,852	(2%)
EBITDA	12,820	13,444	(5%)	24,926	23,867	4%
Amortization and depreciation charges	1,971	2,122	(7%)	3,964	4,168	(5%)
Other income and charges, including interest	630	347	82%	1,571	635	147%
Income before taxes	11,479	11,669	(2%)	22,533	20,334	11%
Net income attributable to shareholders	8,335	8,501	(2%)	16,262	14,720	10%
Basic and diluted EPS	0.44	0.44		0.85	0.77	
Locations in operation				2,688	2,792	(4%)
System sales	274,753	269,536	2%	536,687	516,237	4%
Same store sales	-0.5%	-0.1%		+0.4%	+0.3%	

Note: These are financial highlights only. Management's Discussion and Analysis, the condensed interim consolidated financial statements and notes thereto for the quarter ended May 31, 2016 are available on the SEDAR website at www.sedar.com and on the Company's website at www.mtygroup.com.

Certain information in this News Release may constitute "forward-looking" information that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Company or industry results, to be materially different from any future

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**On Behalf of the Board of Directors of
MTY Food Group Inc.**

Stanley Ma, Chairman, President & CEO

For more information please contact Eric Lefebvre, Chief Financial Officer at 1-514-336-8885 or by email at ir@mtygroup.com, or visit our website: www.mtygroup.com or SEDAR's website at www.sedar.com under the Company's name.