MTY FOOD GROUP REPORTS A STRONG FIRST QUARTER OF 2011

TSX Trading Symbol: "MTY"

MONTREAL, April 7 /CNW Telbec/ - (TSX: MTY) - MTY Food Group Inc. (MTY), franchisor and operator of over 1,740 quick service restaurants today reports its first quarter operating results ending February 28, 2011.

Highlights of the first quarter:

- Net income increased by 15%, at $0.18 per share, compared to $0.16 in the first quarter of 2010;
- Acquisition of a 51% interest in a 60,000 square feet food processing plant;
- Number of locations at quarter end at 1,741, up from 1,727 at in November 2010;
- Revenues increased 22%, reaching $17.5 million;
- EBITDA rose by 13% to $6.2 million;
- Cash and short term investments total $31.2 million at the end of the quarter;
- System wide sales were $117.7 million for the quarter, a 12% increase over the same period in 2010; and
- Same store sales declined by 0.4% during the quarter, with the adverse impacts felt from the cold weather in most parts of Canada during the quarter and weaker performance from the Company's coffee chain.

Results of operations for the first quarter ended February 28, 2010

MTY reported a net income of $3.5 million or $0.18 per share ($0.18 per diluted share) compared to a net income of $3.0 million or $0.16 per share ($0.16 per diluted share) for the same period last year, representing a net income increase of 15%. The increase in net income for the period is mainly attributable to generic growth as well as to the gain on sale of a corporate store, while there was some downward pressure caused by the transition period in the food processing plant and the weak performance of some corporate stores.

The following table presents selected financial information for the three months ended February 28 of 2011 and 2010:

(in millions of dollars except per share item) (unaudited)	**Q1 2011**	**Q1 2010**
Revenues	17.5	14.3
EBITDA	6.2	5.5
Net income	3.5	3.0
Earnings per share	$0.18	$0.16
System-wide sales	117.7	105.0

During the first quarter of our 2011 fiscal year, the Company's total revenue increased by 22%, cumulating to $17.5 million in 2011 compared to $14.3 million last year.

Revenue from franchise locations progressed from $12.3 million in 2010 to $12.8 million in 2011. Revenue from Valentine's franchise operations accounted for $0.8 million of the increase, while royalties generated by new stores opened during the last 12 months contributed $0.3 million to the increase. These increases were partially offset by a weaker performance from our coffee chain in Ontario, resulting in a decrease in revenues from turn-key projects, rent and products sold to franchisees.

Revenue from corporate owned locations increased to $2.5 million during the first three months of our 2011 fiscal period, from $2.0 million for the same period last year. This increase is due to the $0.7 million generated by the Valentine corporate stores acquired in the third quarter of 2010.

During the first quarter of 2011, the Company also generated distribution and food processing revenues of $1.2 million and $1.0 million respectively. There were no such revenues streams in the first quarter of 2010. The food processing business has been ramping up its activities throughout the three-month period, going through a transition period between the former management and the new team that was put in place in the months following the acquisition.

Total EBITDA increased by 13%, from $5.5 million to $6.2 million for the three months ended February 28, 2011.

EBITDA from franchised locations increased from $5.3 million in 2010 to $6.2 million in 2011. Two main elements drove this 17% increase; the increase in mainstream revenues such as royalties, which are mainly attributable to the stores opened in the last twelve months, and a $0.7 million gain realized on the sale of assets by one of the Company's subsidiary which was operating a corporate store.

EBITDA from corporate owned locations decreased from $0.2 million in 2010 to $0.0 million in 2011, mainly due to relatively weaker stores recently acquired.

EBITDA from the Company's distribution center was $0.1 million for the three-month period. The newly acquired food processing plant generated a negative EBITDA of $0.1 million. The loss is mainly attributable to one-time costs incurred during the transition period.

System wide sales reached to $117.7 million during the first quarter of 2011, compared to $105.0 million for the same period last year, representing an increase of 12%. Approximately half of the increase in system wide sales is attributable to the acquisition of Valentine. The remainder is generated by new locations opened in the last twelve months.

For the first quarter of our 2011 fiscal period, same store sales decreased 0.41%. As a general tendency, our mall locations did well with a growth in same store sales, while street front and, to a greater extent, non-traditional locations lost ground compared to the first quarter of last year. We were heavily impacted in some parts of Canada by factors such as the colder weather in the first three months of our 2011 fiscal period than for the same period last year. In addition to colder than usual weather, free coffee and other ongoing promotions initiated by some of players in the quick service industry have had an adverse impact on the sales of our coffee chain in Ontario. Weaker local economies in the different parts of the territory covered by our concepts were also a factor.

For 2011, management plans on opening 85 new locations and remains committed in seeking potential acquisitions to further strengthen its market position.

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 results, performance or achievements expressed or implied by such forward-looking information. When used in this News Release, this information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" and other terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this News Release. Except as required by law, we assume no obligation to update or revise forward-looking information to reflect new events or circumstances. Additional information is available in the Company's Management Discussion and Analysis, which can be found on SEDAR at www.sedar.com.

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

Stanley Ma, Chairman, President & CEO

%SEDAR: 00005286E

For further information:

Please contact Jean-Francois Dube, Investor Relations at 1-450-226-8475 or by email at jfdube@mac.ca or visits our website: www.mtygroup.com or visit SEDAR's website at www.sedar.com under the Company's name.

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