

MTY enters into an agreement to acquire the assets of Mr. Submarine Limited

TSX Trading Symbol: "MTY"

MONTREAL, Aug. 18, 2011 /CNW Telbec/ - MTY Food Group Inc. ("MTY" or the "Company") (TSX: MTY), franchisor and operator of 1,736 quick service restaurants, announced today that its wholly-owned subsidiary MTY Tiki Ming Enterprises Inc. has entered into a binding agreement to acquire the assets of Mr. Submarine Limited ("Mr. Sub") www.mrsub.com for total consideration of \$23 million to be paid in cash.

The closing of the transaction is scheduled to happen on or before October 31, 2011 and remains subject to standard regulatory approvals and closing conditions. The transaction will mainly be funded from MTY's cash on hand, as well as by an available credit facility.

There are approximately 335 Mr. Sub outlets operating under franchise or operator agreements. The Mr. Sub network generated system sales exceeding \$100 million for its 2011 fiscal period. The Mr. Sub transaction represents a very significant addition to MTY's network and is the largest acquisition by the Company as of today.

The acquisition of Mr. Sub is a natural extension to the Company's core business and is expected to strengthen the Company's leadership in the quick service restaurant industry in Canada by reaching a new category of customers while complementing the offering to our current customer base through our existing banners. With three out of four Mr. Sub outlets being street front locations, the transaction will reinforce MTY's presence on the street. Approximately 80% of Mr. Sub's restaurants are located in Ontario, with the other restaurants distributed in six other provinces of Canada.

The acquisition of Mr. Sub is in line with the Company strategy to acquire profitable chains that diversify the Company's range of offering and strengthen the Company's market share in the quick service food industry. This transaction will bring MTY's network to over 2,070 outlets throughout Canada and the MENA region.

The vendors have retained the services of Davis LLP to assist in the transaction.

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

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For further information:

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CO: MTY FOOD GROUP INC.

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