

**MTY FOOD GROUP INC.
(the “Company”)**

NEWS RELEASE

August 2, 2007

Trading Symbol: TSX Venture - MTY

PROPOSED FRANCHISE BUYBACK, FURTHER EXPANSION INTO ONTARIO AND THE MIDDLE EAST

The Company is pleased to announce that its wholly-owned subsidiary MTY Tiki Ming Enterprises Inc. ("MTY") has entered into an agreement to buy back 15 Sushi Shop outlets from an investor group, in addition to a tempura production facility which supplies tempura to all Sushi Shop franchises, for an undisclosed cash amount. Projected sales for the 15 franchises and tempura facility are estimated at \$8,000,000.00 for the next 12 months.

The acquisition is subject to the completion of certain conditions, and is scheduled to close within the next 30 days.

By the end of the year, MTY plans to have 80 Sushi Shop locations operating in the Province of Quebec, where the concept was first created and launched. There are currently close to 70 Sushi Shop locations, up from the 47 when the concept was purchased by MTY in September 2006. MTY plans to open an additional 25 Sushi Shop locations in Ontario over the next 12 months, with the first scheduled to open in Ottawa in October of 2007.

MTY has also recently entered into Master Franchise Agreements for the Middle East with a well respected restaurateur for its Sushi Shop, Thai Express, Cultures, Sukiyaki and Tiki Ming banners. Under the Agreements, a minimum of 93 franchises are scheduled to open in the United Arab Emirates (Dubai), Bahrain, Qatar, Kuwait and Saudi Arabia. MTY currently has 20 franchises operating in the Middle East under its Mrs. Vanelli's banner.

MTY is the franchisor and operator of over 805 quick service restaurants, under the following banners: Tiki Ming, Sukiyaki, La Crèmiere, Cultures, Thai Express, Mrs. Vanellis, Veggirama, Caferama, Au Vieux Duluth Express, Yogen Früz, Carrefour Oriental, Panini Pizza Pasta, Chick 'N' Chick, Franx Supreme, Croissant + Plus, Villa Madina, Kim Chi, TCBY, Sushi Shop and Koya Japan. The Company continues to look for new acquisition opportunities and explore other areas of growth.

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

Stanley Ma, Chairman of the Board

For more information, please contact Jean-Francois Dube, Investor Relations at 1-450-226-8475 or by email at jfcinc@cgocable.ca or visit our website: www.mtygroup.com

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.