

**MTY FOOD GROUP INC.**  
(the "Company")

February 22, 2010

TSXV Trading Symbol: "MTY"

**2009 YEAR END RESULTS**

MTY Food Group Inc. (MTY), franchisor and operator of 1,570 quick service restaurants at year-end, reported its operating results for the fiscal year ended November 30, 2009.

For the fiscal year ended November 30, 2009, MTY reported a net income of \$12.26 million or \$0.64 per share (\$0.64 per diluted share) compared to a net income of \$9.91 million or \$0.52 per share (\$0.52 per diluted share) for the same period last year, representing a net income increase of 24%. The increase in net income for the period is mainly attributed to the acquisitions of Tutti Frutti, Taco Time and Country Style in September 2008, October 2008 and May 2009 respectively as well as to strong generic growth.

Total revenue increased by 51% to \$51.54 million during 2009, from \$34.24 million for the same period last year. For 2009, the Company opened a total of 114 new locations and closed 47 existing ones, for a net addition of 67 stores, for a year-end total of 1,570 locations.

Revenue from franchise locations increased by 76% to \$42.19 million from \$23.91 million for the fiscal year ended November 30, 2008. The acquisition of Country Style during the year combined with the annualization of the results of Tutti Frutti and Taco Time, which were acquired late in 2008, and the organic growth from the Company's existing banners were the main drivers of this increase.

Revenue from corporate owned locations decreased to \$9.35 million for the fiscal year ended November 30, 2009 from \$10.33 million for the same period last year, representing a reduction of 9%. The variation is mainly the result of the decrease in the number of corporate-owned location in operations during the year. At year-end, the Company operated 20 such locations compared to 27 a year before, having acquired 5 corporate-owned Country Style locations, sold 9 and closed 3.

EBITDA for MTY increased 29% for the year-ended November 30, 2009, from \$16.84 million to \$21.73 million. EBITDA from franchise locations for the twelve month period increased by 36% to reach 21.19 million, again mainly owing to the acquisition of Country Style and the annualization of the performance of Tutti Frutti and Taco Time. Generic growth from stores opened during 2008 and 2009 also represent an important portion of the growth.

As a result of the increased number of turnkey projects delivered during 2009 and the increased sales to franchisees, both of which generate lower profit margins, EBITDA as a percentage of revenue decreased from 62.2% in 2008 to 49.8% in 2009.

EBITDA from corporate owned locations decreased from \$1.24 million to \$0.54 million, mainly as a result of the lower number of corporate stores in operations during the period. EBITDA as a percentage of revenue from corporate owned locations decreased from 12.0% for the twelve month period ended November 30, 2008 to 5.8% for the same period this year. The decrease is due to the weaker performance of some of the remaining corporate owned stores.

MTY total system wide sales amounted to \$393.1 million during the fiscal year ended November 30, 2009 compared to \$253.6 million for the same period last year, representing an increase of 55%. The increase in system wide sales is attributable primarily to the acquisition of Country Style, the annualization of sales generated in Tutti Frutti and Taco Time and from new locations opened during the year. Same store sales decreased by 1.8% during 2009 as a result of the difficult economic conditions that have affected Canada throughout the period.

For the quarter ended November 30, 2009, MTY reported a net income of \$3.78 million or \$0.20 per share (\$0.20 per diluted share) compared to a net income of \$2.84 million or \$0.15 per share (\$0.15 per diluted share) for the same quarter last year, representing a net income increase of 33%. The increase in net income for the quarter is mainly attributed to the acquisitions of Country Style during 2009 and of Taco Time in October 2008 as well as to strong generic growth resulting from store openings during 2009.

Total revenue increased by 75% in the fourth quarter of 2009, reaching \$15.49 million. Revenue from franchise locations increased to \$13.31 million from \$6.45 million for an increase of 106%. The acquisitions of Country Style and Taco Time are the principal reasons explaining this increase. Revenue from corporate owned locations decreased to \$2.18 million for the quarter ended November 30, 2009 from \$2.38 million for the same quarter last year, representing a decrease of 9%. The decrease can be explained by a reduction of corporate stores that operated during the fourth quarter of 2009 compared to the fourth quarter of 2008.

MTY realized an EBITDA of \$6.55 million in the fourth quarter of 2009, up 41% from \$4.64 million for the same period last year. EBITDA from franchise locations for the fourth quarter increased from \$4.46 million in 2008 to \$6.57 million in 2009 due primarily to the acquisitions of Country Style and Taco Time and to the growth related to existing banners. EBITDA as a percentage of revenue decreased from 64.8% in 2008 to 48.4% in 2009 as a result of the high volume of lower margin revenues generated by deliveries of turnkey projects and various sales to franchisees.

EBITDA from corporate owned locations decreased from \$0.18 million to \$(0.02) million, mainly because of the relatively weaker performance of some of the remaining corporate stores.

For the fourth quarter of 2009, 50 new locations were added and 14 existing locations were closed, representing a net addition of 36 locations. During the quarter, 4 corporate-owned stores were sold to franchisees while 1 store was closed.

MTY total system wide sales for the last 3 months of the 2009 fiscal period amounted to \$106.7 million, up 51% compared to \$70.9 million for the same quarter last year. The increase in system wide sales is attributable primarily to the acquisitions of Country Style earlier in 2009 and of Taco Time late in the last quarter of 2008 as well as to the sales from new locations opened during the year. For the fourth quarter of 2008, same store sales decreased by 3.0%.

As at November 30, 2009 the Company had \$15.9 million in cash and temporary investments compared to \$15.3 million as at November 30, 2008.

MTY continues to grow through the expansion of its existing concepts. Approximately 75 new locations have been planned for the 2010 fiscal year. Management remains committed to seek out potential acquisitions to further strengthen its market position.

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

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Stanley Ma, Chairman, President & CEO

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