

MTY FOOD GROUP INC.
(the "Company")

September 7, 2006

TSXV Trading Symbol: "MTY"

NEWS RELEASE

PROPOSED SHARE ACQUISITION OF 100% OF KOYA JAPAN INC.

The Company is pleased to announce that its wholly-owned subsidiary MTY Tiki Ming Enterprises Inc. (the "MTY") has entered into a binding agreement to purchase all of the issued and outstanding shares of Koya Japan Ontario Corporation and Koya Japan Inc. of Winnipeg, Manitoba (the "Vendors"), and the tradenames or trademarks "Koya Japan" from Steve Sabbagh and The Sabbagh Family Trust, for an all-cash undisclosed amount. There are presently 25 existing Koya Japan outlets in Canada, for the retail sale of Japanese style fast food. Koya Japan's system-wide sales for the last fiscal year were app. \$10 million.

The acquisition will enhance MTY's existing 32 units Sukiyaki Japanese quick service chain, and the most recently finalized and closed acquisition of the 48 units Sushi Shop sushi chain. Upon completion of the Koya's acquisition, MTY will be one of the largest Japanese style restaurant franchisor in Canada, with 105 Japanese style quick service and sushi outlets in operations in Canada.

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

The proposed acquisition does not represent a reverse take-over or change in business of the Company.

The acquisition of Koya Japan represents MTY's ninth acquisitions during the past five years. This acquisition will complement and expand MTY's existing quick service franchise operations and will bring the number of outlets in operation to over 800 outlets.

**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 e-mail at jfcinc@cgocable.ca or visit our website: www.mtygroup.com This news release was prepared by management who takes full responsibility for its contents. The TSX Venture Exchange neither approves nor disapproves the contents of this news release.