

MTY FOOD GROUP INC.
3465 Thimens, St-Laurent, Quebec, H4R 1V5

August 16, 2010

TSX Trading Symbol: "MTY"

NEWS RELEASE

MTY ENTERS INTO AN AGREEMENT TO ACQUIRE GROUPE VALENTINE

MTY Food Group Inc. ("MTY" or the "Company"), franchisor and operator of 1,605 quick service restaurants, announced today that its wholly-owned subsidiary MTY Tiki Ming Enterprises Inc. has entered into a binding agreement to acquire all of the issued shares of Groupe Valentine Inc. of Saint-Hyacinthe, Quebec ("Valentine") (www.valentine.ca), and seven real estate properties owned by an affiliated corporation including a distribution centre, for an expected total consideration of \$9.3 million to be paid in cash at closing.

The closing of the transaction is scheduled in September 2010 and remains subject to standard regulatory approvals and closing conditions. The transaction will be funded from MTY's cash on hand.

With 95 stores, 9 of which are corporate-owned, annual system sales of over \$29 million, a widely recognized brand name in Quebec and a revitalized marketing strategy, the acquisition of Valentine represents a strategic addition to the Company's portfolio. Valentine will complement our existing banners which will benefit from the added expertise and experience in this segment of the quick service restaurant industry.

In addition to the franchising operation, the transaction includes seven real estate properties including land and buildings; five of the buildings are leased for commercial activities, one is used by a corporate restaurant while the other property houses Valentine's head office and an 8,300 square feet distribution center in St-Hyacinthe, Québec. The distribution center, which is currently used to supply the vast majority of Valentine franchisees' purchases, has excess capacity that could be utilized by the Company in the future.

This acquisition will complement and expand our current franchise business operations and is in line with our strategy to acquire profitable franchise systems.

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

For more information please contact Jean-Francois Dube, Investor Relations at 1-450-226-8475 or by email at jfcinc@cgocable.ca or visits our website: www.mtygroup.com or visit SEDAR's website at www.sedar.com under the Company's name.