

**MTY FOOD GROUP INC.**

(the "Company")

October 14, 2008

TSXV Trading Symbol: "MTY"

**Q3 - 2008 RESULTS**

MTY Food Group Inc. (MTY), franchisor and operator of over 857 quick service restaurants, reported its operating results for the third quarter ended August 31, 2008.

MTY reported a net income of \$7.07 million or \$0.37 per share (\$0.37 per fully diluted share) for the nine month period ending August 31, 2008 compared to a net income of \$6.71 million or \$0.36 per share (\$0.35 per fully diluted share) for the same period of 2007, representing a net income increase of 5%. The increase is mainly attributed to organic growth.

Total revenue increased by 17%, to \$25.41 million from \$21.77 million for the same nine month period last year. Revenue from franchise locations increased by 4% to \$17.46 million from \$16.79 million and revenue from corporate owned locations increased to \$7.95 million from \$4.98 million, representing an increase of 60%.

EBITDA increased from \$11.25 million to \$12.20 million for the nine month period ended August 31, 2008 representing an increase of 8%. EBITDA from franchise locations increased from \$10.54 million in 2007 to \$11.14 million and EBITDA as a percentage of revenue increased slightly from 59% to 61%. EBITDA from corporate owned locations increased from \$0.71 million to \$1.06 million and EBITDA as a percentage of revenue decreased slightly from 14% to 13%.

Total system wide sales for the nine months ended August 31, 2008 amounted to \$182.5 million compared to \$165.5 million for 2007 representing an increase of 10.3%. Same store sales for the same period increased by 1.50%.

For the quarter ended August 31, 2008, MTY reported a net income of \$2.67 million or \$0.14 per share (\$0.14 per fully diluted share) compared to a net income of \$2.90 million or \$0.15 per share (\$0.15 per fully diluted share) for the same quarter last year, representing a decrease of 8%. The decrease is mainly due to the fact that MTY recognized gains on dispositions of capital assets amounting to \$0.35 million in 2007 compared to a negligible amount for the same quarter in 2008.

Total revenue for the quarter ended August 31, 2008 increased by 16%, to \$9.22 million from \$7.96 million for the same quarter last year. Revenue from franchise locations increased by 4% to \$6.53 million from \$6.27 million. Revenue from corporate owned locations increased to \$2.69 million from \$1.69 million for the same quarter last year, representing an increase of 60%.

EBITDA decreased from \$4.61 million to \$4.55 million for the quarter ended August 31, 2008 representing a decrease of 1%. EBITDA from franchise locations decreased from \$4.35 million in 2007 to \$4.19 million in 2008 and EBITDA as a percentage of revenue decreased from 64% in 2007 to 63% in 2008. As mentioned earlier, the decrease in EBITDA is a direct result of the gain on disposition of capital assets of \$0.35 million recognized in the third quarter of 2007. EBITDA from corporate owned locations increased from \$0.26 million to \$0.36 million and EBITDA as a percentage of revenue from corporate owned locations decreased slightly from 15% in 2007 to 13% for the third quarter ended August 31, 2008.

MTY's total system wide sales amounted to \$67.1 million during the third quarter ended August 31, 2008 compared to \$61.6 million for the same period last year, representing an increase of 9%. Same store sales in the third quarter of 2008 grew by 1.3%.

MTY has at August 31, 2008 a total of \$25.13 million in net cash and temporary investments compared to \$19.55 million as at November 30, 2007.

MTY continues to grow through the expansion of its existing concepts. Approximately 60 new locations have been planned for the 2008 fiscal year of which 43 locations have already been opened during the nine month period ending August 31, 2008. Subsequent to the third quarter end, MTY has opened 9 new locations and has finalized the acquisition of the Tutti Frutti chain, bringing to total number of units in operation to 894 as of today's date. MTY also intends to complete the acquisition of the 117 units Taco Time chain which is scheduled for the end of October 2008 bringing the total number of units to over 1000.

Management remains committed to expanding its existing concepts and 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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