For Immediate Release

Attention Business Editors:

Pizza Pizza Royalty Corp. Announces First Quarter Financial Results

Toronto, Ontario, May 7, 2015 – Pizza Pizza Royalty Corp. (the "Company"), which owns the Pizza Pizza and Pizza 73 Rights and Marks, released financial results today for the first quarter ended March 31, 2015.

First Quarter highlights:

- Royalty Pool sales increased 3.6%
- Same store sales increased 2.5%
- Earnings per share increased 1.9%
- Monthly dividend increased 1.9% in April, 2015
- Restaurant network grew by three locations
- Loan interest decreased 1.37% in April, 2015
- Royalty Pool of restaurants increased by eight effective January 1, 2015

SALES

For the quarter ended March 31, 2015 ("Quarter"), System Sales from the 730 restaurants in the Royalty Pool increased by 3.6% to $128.9 million from $124.4 million in the prior year comparable quarter when there were 722 restaurants in the pool.

Same store sales growth ("SSSG"), the key driver of yield growth for shareholders of the Company, increased by 2.5% (1.6% increase – 2014) for the Quarter when compared to the same period in 2014.

SSSG	First Quarter (%)	
	2015	2014
Pizza Pizza	2.2	0.4
Pizza 73	3.8	7.2
Combined	2.5	1.6

Paul Goddard, CEO, Pizza Pizza Limited ("PPL"), said: "Both brands performed well during the quarter with Pizza 73 reporting strong sales in Alberta over a very strong quarter last year. We're especially pleased with the continued momentum at the Pizza Pizza brand, which contributes over 80% of total sales, where consumer traffic has grown significantly in the Ontario and Quebec markets compared to the first quarter last year."

MONTHLY DIVIDENDS AND WORKING CAPITAL RESERVE

The Company declared shareholder dividends of $4.6 million, or $0.2001 per share, for the Quarter compared to $4.4 million, or $0.2001 per share, for the prior year comparable quarter. The payout ratio was 100% for the Quarter and was 100% in the prior year comparable quarter, which is the Company's targeted payout ratio.

In April 2015, subsequent to the Quarter, the Company increased the monthly dividend by 1.9% to $0.068 per share, or $0.816 annually. Prior to this increase, the Company had last increased the monthly dividend in January 2014 by 2.6% to $0.0667 per share, or $0.80 on an annualized basis.

The Company's working capital reserve is $3.9 million at March 31, 2015, which is relatively unchanged for the Quarter. The reserve is available to stabilize dividends and fund other expenditures in the event of short- to medium-term variability in System Sales and, thus, the Company's royalty income. With this reserve now in place, going forward, the Company will continue to target a payout ratio of 100% on an annual basis.

EARNINGS PER SHARE ("EPS")
Fully-diluted EPS for the Quarter was $0.210 per share compared to $0.206 per share in the same quarter in 2014. However, instead of EPS, the Company considers "Adjusted" EPS"[1] to be a more meaningful indicator of the Company's operating performance and, thus, also presents fully-diluted Adjusted EPS.

For the Quarter, Adjusted EPS increased by 1.9% to $0.216 per share compared to $0.212 per share in the same quarter in 2014.

CREDIT FACILITY INTEREST RATE DECREASE
On April 24, 2015, Pizza Pizza Royalty Limited Partnership (the "Partnership") entered into an agreement with its existing syndicate of lenders to significantly improve the terms of its current credit facility.

The existing facility was to mature on December 6, 2016 and had a fixed interest rate of 4.12%. The amended term of the loan will now be for five years maturing on April 24, 2020, with an effective interest rate of 2.75% for the five year term. The 2.75% interest rate is comprised of a fixed swap rate of 1.875% and a credit spread of 0.875%. The credit spread is based on the current Debt-to-EBITDA covenant calculation.

The lower interest rate on the $47 million facility will result in savings of approximately $640,000 annually. Projected annual savings per share is $0.021 and the new interest rate is effective April 24, 2015.

CURRENT INCOME TAX EXPENSE
Current income tax expense for the Quarter was $1.2 million compared to $1.1 million for the 2014 comparative quarter. The increase in tax expense is due to increased taxable income related to an increase in royalty income and a decrease in the tax amortization.

Of particular note is that the Company's earnings from operations before income taxes, calculated under IFRS, differs significantly from its taxable income due largely to the tax amortization of the Pizza Pizza and Pizza 73 Rights and Marks. The amount of the tax amortization deducted is based on a declining basis and will decrease yearly.

RESTAURANT DEVELOPMENT
The number of restaurants in the Company's Royalty Pool increased by eight to 730 on the January 1, 2015 Adjustment Date. The number of restaurants in the Royalty Pool will remain unchanged through December 31, 2015.

During the Quarter, PPL opened five restaurants and closed two. By brand, for the Quarter, Pizza Pizza opened five non-traditional restaurants and closed one non-traditional Pizza Pizza location. Pizza 73 closed one traditional location.

SALE BY PIZZA PIZZA LIMITED ("PPL") OF 2,800,000 EQUIVALENT SHARES
On March 23, 2015, PPL, the private operating company of the Pizza Pizza and Pizza 73 businesses, entered into an underwriting agreement for the sale by PPL of 2,800,000 common shares of the Company at a price of $15.00 per share. In order to provide the 2,800,000 common shares to the underwriters, PPL exchanged 1,564,889 of its Class B Units of the Partnership, applying the Class B Exchange Multiplier of 1.789264. PPL's ownership of the Company's fully-diluted shares decreased from 29% to 19.9% as a result of the transaction, while the total number of fully-diluted shares did not change. All proceeds of the sale were paid to PPL.

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[1] Adjusted earnings from operations and adjusted EPS are not recognized measures under International Financial Reporting Standards ("IFRS") and may be calculated in a manner that differs from that used by other issuers. For additional information about the calculation and use of these measures, please see "Reconciliation of Non-IFRS Measures" in the Company's Management's Discussion & Analysis ("MD&A").

SELECTED FINANCIAL HIGHLIGHTS

The following table sets out selected financial information and other data of the Company and should be read in conjunction with the unaudited condensed consolidated financial statements of the Company. Readers should note that the 2015 results are not directly comparable to the 2014 results because there are 730 restaurants in the 2015 Royalty Pool compared to 722 restaurants in the 2014 Royalty Pool.

(in thousands of dollars, except number of restaurants and per Share amounts)		3 months ended March 31, 2015		3 months ended March 31, 2014
Restaurants in Royalty Pool		730		722
Same store sales growth(1)		2.5%		1.6%
Days in Period		90		90
System Sales reported by Pizza Pizza restaurants in the Royalty Pool(5)	$	105,265	$	102,412
System Sales reported by Pizza 73 restaurants in the Royalty Pool(5)		23,588		22,021
Total System Sales	$	128,853	$	124,433
Royalty – 6% on Pizza Pizza System Sales	$	6,316	$	6,145
Royalty – 9% on Pizza 73 System Sales		2,123		1,982
Royalty income	$	8,439	$	8,127
Interest paid on borrowings(2)		(485)		(514)
Administrative expenses		(125)		(124)
Adjusted earnings available for distribution to the Company and Pizza Pizza Limited	$	7,829	$	7,489
Pizza Pizza Limited's distribution(3)		(2,074)		(2,073)
Adjusted earnings available for distribution to the Company	$	5,755	$	5,416
Current income tax expense		(1,191)		(1,066)
	$	4,564	$	4,350
Add back:				
Pizza Pizza Limited's distribution on Class B and Class D Exchangeable Shares		2,074		2,073
Adjusted earnings from operations(4)	$	6,638	$	6,423
Adjusted earnings per share(4)	$	0.216	$	0.212
Basic earnings per share	$	0.210	$	0.206
Dividends/distributions declared by the Company	$	4,553	$	4,366
Dividend/distributions per share	$	0.2001	$	0.2001
Payout ratio		100%		100%

(1) Same store sales growth ("SSSG") means the change in annual gross revenue of a particular Pizza Pizza or Pizza 73 restaurant as compared to sales in the previous period, where the restaurant has been open at least 13 months. Additionally, for a Pizza 73 restaurant whose restaurant territory was adjusted due to an additional restaurant, a Step-Out Payment may be added to sales to arrive at SSSG.

(2) The Company, indirectly through the Pizza Pizza Royalty Limited Partnership (the "Partnership"), incurs interest expense on the $47,000 outstanding credit facility. Interest expense also includes amortization of loan fees. See "Interest Expense" in the Company's MD&A.

(3) Represents the distribution to Pizza Pizza Limited ("PPL") from the Partnership on Class B and Class D Units of the Partnership. The Class B and D Units are exchangeable into common shares of the Company ("Shares") based on the value of the Class B Exchange Multiplier and the Class D Exchange Multiplier at the time of exchange as defined in the amended and restated Pizza Pizza license and royalty agreement (the "Pizza Pizza License and Royalty Agreement") and the amended and restated Pizza 73 license and royalty agreement (the "Pizza 73 License and Royalty Agreement") (together, the "License and Royalty Agreements"), respectively, and represent 19.9% of the fully diluted Shares at March 31, 2015 (December 31, 2014 – 28.0%). During the quarter ended March 31, 2015, as a result of the final calculation of the equivalent Class B and Class D Share entitlements related to the January 1, 2014 Adjustment to the Royalty Pool, PPL was paid a distribution on additional equivalent Shares as if such Shares were outstanding as of January 1, 2014. Included in the three months ended March 31, 2015, is the receipt of distributions of $80 pursuant to the true-up calculation (March 31, 2014 - PPL returned $41).

(4) "Adjusted earnings from operations" and "Adjusted earnings per share" do not have any standardized meaning under International Financial Reporting Standards ("IFRS"). Therefore, these figures are unlikely to be comparable to similar figures presented by other companies. See "Reconciliation of Non-IFRS Measures" in the Company's MD&A.

(5) System Sales (as defined in the License and Royalty Agreements) reported by Pizza Pizza and Pizza 73 restaurants include the gross sales of Pizza Pizza company-owned, jointly-controlled and franchised restaurants, excluding sales and goods and service tax or similar amounts levied by any governmental or administrative authority. System Sales do not represent the consolidated operating results of the Company but are used to calculate the royalties payable to the Partnership as presented above.

A copy of the Company's unaudited consolidated financial statements and related MD&A will be available at www.sedar.com and www.pizzapizza.ca on May 7, 2015.

As previously announced, the Company will host a conference call to discuss the results. The details of the conference call are as follows:

Date:	Thursday, May 7, 2015
Time:	5:00 p.m. ET
Call-in number:	416-340-2219 / 866-225-2055
Recording call in number:	905-694-9451 / 800-408-3053 Available until midnight, May 21, 2015 Passcode: 1724373

A recording of the call will also be available on the Company's website www.pizzapizza.ca.

Forward Looking Statements

Certain statements in this report, including statements as to expected reductions to interest rate expense and resulting impacts to the Company, may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this report, such statements include such words as "may", "will", "expect", "believe", "plan", and other similar terminology. These statements reflect management's current expectations regarding future events and speak only as of the date of this report. These forward-looking statements involve a number of risks and uncertainties, including those described in the Company's annual information form. The Company assumes no obligation to update these forward looking statements, except as required by applicable securities laws.

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