



For Immediate Release

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**BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES THIRD QUARTER
FRANCHISE SALES OF \$191.5 MILLION AND YTD OF \$571.7 MILLION**

Strong top line results drive increases in distributable cash per unit of 4.3% for the Period and 3.9% YTD

Highlights

- Franchise Sales¹ from royalty pool restaurants for the third quarter of \$191.5 million and for YTD of \$571.7 million.
- Positive same store sales growth of 0.8% for the Period and 2.5% YTD.
- Distributable Cash² per Unit increases by 4.2% for the Period and 3.9% YTD versus the same periods, respectively, in 2012.
- Trustees declare October distribution to unitholders of 10.2 cents per Unit.
- Boston Pizza has opened five new full service restaurants so far in 2013 and has renovated another 31 existing locations to the latest design standards.

VANCOUVER, BC, November 7, 2013 - Boston Pizza Royalties Income Fund (the “Fund”) and Boston Pizza International Inc. (“BPI”) reported financial results today for the third quarter period from July 1, 2013 to September 30, 2013 (the “Period”) and for the year-to-date period from January 1, 2013 to September 30, 2013 (“YTD”). A copy of this press release, the consolidated interim financial statements for the Period and related Management’s Discussion and Analysis of the Fund and BPI are available at www.sedar.com and www.bpincomefund.com. The Fund will host a conference call to discuss the results on November 7, 2013 at 8:30 a.m. Pacific Time (11:30 a.m. Eastern Time). The call can be accessed by dialling 1-800-319-4610 or 604-638-5340. A replay will be available until December 6, 2013 by dialling 1-800-319-6413 or 604-638-9010 and entering the pin code: 4452 followed by the # sign.

Same store sales growth (“SSSG”), a key driver of distribution growth for unitholders of the Fund, was 0.8% for the Period and 2.5% YTD compared to 1.0% and 3.7%, respectively, for the same periods in 2012. Franchise Sales¹, the basis upon which royalties are paid by BPI to the Fund, exclude revenue from the sale of liquor, beer, wine and tobacco and approved national promotions and discounts. On a Franchise Sales¹ basis, SSSG was 0.8% for the Period and 2.7% YTD compared to 0.9% and 3.5%, respectively, for the same periods in 2012. The positive SSSG in the Period and YTD were principally due to higher take-out and delivery sales resulting from continued promotion of Boston Pizza’s online ordering system and menu re-pricing. The positive SSSG results YTD were achieved in spite of several challenges including the one less day in the period compared to 2012 due to the leap year in 2012, the poor weather experienced in many parts of Canada YTD, and the challenging economic conditions experienced by the Canadian restaurant sector this year. Franchise Sales¹ of restaurants in the royalty pool were \$191.5 million for the Period and \$571.7 million YTD compared to \$186.1 million and \$546.3 million YTD in the same periods, respectively, in 2012. The increases in Franchise Sales¹ for the Period and YTD are attributed to the positive SSSG and the addition of five net new restaurants to the Fund’s royalty pool on January 1, 2013.

“We are pleased with Boston Pizza’s continued positive sales growth for the third quarter and year-to-date in 2013,” said Mark Pacinda, President and CEO of BPI. “Several key initiatives in the period contributed to our results including the release of our refreshed national menu with many delicious new items, the launch of new television advertising campaigns and the sale of Boston Pizza Kids Cards, which helps raise money for charities while attracting families into our restaurants.”

The Fund’s net income was \$3.3 million for the Period and \$6.6 million YTD compared to net loss of \$1.6 million for the third quarter and a net loss of \$2.3 million year-to-date in 2012. The \$4.9 million increase in net income for the Period (\$8.9 million YTD) was driven mainly by the \$4.5 million (\$7.8 million YTD) difference in fair value adjustments on the class B general partner units of Boston Pizza Royalties Limited Partnership (the “Class B Unit liability”) and interest rate swaps partially offset by a \$0.3 million (\$1.0 million YTD) increase in revenues. The Fund’s net income under International Financial Reporting Standards (“IFRS”) contains non-cash items, such as

the fair value adjustments on the Class B Unit liability and interest rate swaps, that do not affect the Fund's business operations or its ability to pay distributions to unitholders. In the Fund's view, net income is not the only or most meaningful measurement of the Fund's ability to pay distributions. Consequently, the Fund reports the non-IFRS metrics of Distributable Cash² and Payout Ratio³ to provide investors with more meaningful information regarding the amount of cash that the Fund has generated to pay distributions. Readers are cautioned that Distributable Cash² and Payout Ratio³ are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. For a reconciliation between cash flow from operating activities (the most directly comparable IFRS measure) and Distributable Cash² and a detailed discussion on the Fund's Distributable Cash² and Payout Ratio³, please see the "Operating Results – Distributable Cash / Payout Ratio" section in the Fund's Management's Discussion and Analysis for the Period.

The Fund's Distributable Cash² was \$4.9 million or \$0.324 per unit of the Fund ("Unit") for the Period and \$14.0 million or \$0.915 per Unit YTD compared to \$4.5 million or \$0.311 per Unit and \$12.8 million or \$0.881 per Unit for the same periods, respectively, in 2012. This represents increases to Distributable Cash² of 8.0% and 9.4%, respectively, compared to the same periods one year ago. The increases in Distributable Cash² were attributed to higher royalty revenue in the Period and YTD compared to the same period one year ago and BPI's exchange of class B general partner units of Boston Pizza Royalties Limited Partnership into 1,000,000 Fund Units on November 23, 2012. The increases in Distributable Cash² on a per Unit basis of 4.2% and 3.9%, respectively, were attributed to higher royalty revenue. Distributions for the Period were funded entirely by cash flow from operations. No debt was incurred at any point during the Period or YTD to fund distributions.

The Fund's Payout Ratio³ was 94.1% for the Period and 99.5% YTD compared to 94.6% and 99.5%, respectively, in the same periods one year ago. The Fund's Payout Ratio³ for the Period decreased compared to the same period one year ago due to the increase in Distributable Cash² exceeding the increase in distributions payable. The Fund strives to provide unitholders with regular monthly distributions, and as a result, the Fund will generally experience seasonal fluctuations in its Payout Ratio³. On a trailing 12-month basis, the Fund's Payout Ratio³ was 99.3% as at September 30, 2013. The Fund's Payout Ratio³ is likely to be higher in the first and fourth quarters compared to the second and third quarters since Boston Pizza restaurants experience higher Franchise Sales¹ during the summer months when restaurants open their patios and benefit from increased tourist traffic. Higher Franchise Sales¹ generally results in increases in Distributable Cash². A key feature of the Fund is that it is a "top line" structure, in which BPI pays the Fund a royalty equal to 4% of Franchise Sales¹ from restaurants in the Fund's royalty pool. Accordingly, Fund unitholders are not directly exposed to changes in the operating costs or profitability of BPI or of individual Boston Pizza restaurants. Given this structure, and that the Fund has no current mandate to retain capital for other purposes, it is expected that the Fund will maintain a Payout Ratio³ close to 100% over time as the trustees of the Fund continue to distribute all available cash in order to maximize returns to unitholders. As the Payout Ratio³ is calculated from a formula which includes Distributable Cash², which is a non-IFRS measure, a reconciliation of Payout Ratio³ to an IFRS measure is not possible.

The trustees of the Fund announced a cash distribution to unitholders of 10.2 cents per Unit for October 2013. The distribution will be payable to unitholders of record at the close of business on November 21, 2013 and will be paid on November 29, 2013. The Fund periodically reviews distribution levels based on its policy of stable and sustainable distribution flow to unitholders. Since the Fund's initial public offering in 2002, unitholders have received 16 distribution increases. The most recent distribution increase of 4.1% was effective for the February 2013 distribution payable in March 2013 and increased the monthly distribution amount from 9.8 cents per Unit to 10.2 cents per Unit. Including the October 2013 distribution, which will be paid in November 2013, the Fund will have paid out 136 consecutive monthly distributions totalling \$173.1 million or \$13.79 per Unit.

FINANCIAL SUMMARY

The tables below sets out selected information from the consolidated interim financial statements of the Fund together with other data and should be read in conjunction with the consolidated interim financial statements of the Fund for the Period and in conjunction with the consolidated financial statements for the twelve month period ended December 31, 2012.

	Q3 2013	Q3 2012	YTD 2013	YTD 2012
(in thousands of dollars – except restaurants, SSSG, Payout Ratio ³ and per Unit items)				
System-wide Gross Sales ⁴	246,627	239,269	733,349	703,289
Number of restaurants in Royalty Pool ⁵	346	341	346	341
Franchise Sales ¹ reported by restaurants in the Royalty Pool	191,510	186,084	571,678	546,258
Revenues				
Royalty revenue – 4% of Franchise Sales ¹	7,660	7,443	22,867	21,850
Interest income	453	453	1,358	1,361
Total revenues	8,113	7,896	24,225	23,211
Expenses				
Administrative expenses and interest on bank debt	(545)	(616)	(1,532)	(1,605)
Interest expense on Class B Units and Class C Units ⁶	(1,365)	(1,628)	(3,628)	(4,317)
Fair value adjustment on Class B Unit liability ⁷	(1,166)	(5,890)	(8,022)	(15,500)
Fair value adjustment on interest rate swap	(136)	67	425	67
Subtotal	(3,212)	(8,067)	(12,757)	(21,355)
Current income tax expense	(1,529)	(1,350)	(4,598)	(4,002)
Deferred income tax expense	(60)	(60)	(290)	(150)
Total expenses	(4,801)	(9,477)	(17,645)	(25,507)
Net Income (loss)				
Net income (loss)	3,312	(1,581)	6,580	(2,296)
Basic and diluted earnings (loss) per Unit	0.22	(0.11)	0.43	(0.16)
Distributable Cash² / Distributions / Payout Ratio³				
Cash flows from operating activities	6,482	6,319	18,869	12,841
Class C distributions to BPI	(450)	(450)	(1,350)	(1,350)
BPI Class B entitlement	(917)	(1,211)	(2,735)	(3,509)
Interest paid on long-term debt	(276)	(130)	(705)	(672)
SIFT tax on Units ⁸	53	-	(36)	5,523
Distributable Cash ²	4,892	4,528	14,043	12,833
Distributions payable ⁹	4,604	4,284	13,970	12,764
Payout Ratio ³	94.1%	94.6%	99.5%	99.5%
Distributable Cash per Unit ²	0.324	0.311	0.915	0.881
Distributions payable per Unit ⁹	0.306	0.294	0.914	0.876
Other				
Same store sales growth	0.8%	1.0%	2.5%	3.7%
Number of restaurants opened during the period	1	1	5	3
Number of restaurants closed during the period	1	0	2	2
		Sep 30, 2013		Dec 31, 2012
Total assets		269,290		264,632
Total liabilities		122,172		99,353

	Q3 2013	Q2 2013	Q1 2013	Q4 2012
(in thousands of dollars – except restaurants, Payout Ratio ³ and per Unit items)				
System-wide Gross Sales ⁴	246,627	250,398	236,324	239,764
Number of restaurants in Royalty Pool ⁵	346	347	348	341
Franchise Sales ¹ reported by restaurants in the Royalty Pool	191,510	193,830	186,338	185,197
<u>Revenues</u>				
Royalty revenue – 4% of Franchise Sales	7,660	7,753	7,454	7,408
Interest income	453	452	453	453
Total revenues	8,113	8,205	7,907	7,861
<u>Expenses</u>				
Administrative expenses and interest on bank debt	(545)	(510)	(477)	(462)
Interest on Class B Units and Class C Units ⁶	(1,365)	(1,365)	(898)	(1,978)
Fair value adjustment on Class B Unit liability ⁷	(1,166)	(1,144)	(5,712)	633
Fair value adjustment on interest rate swap	(136)	650	(89)	69
Subtotal	(3,212)	(2,369)	(7,176)	(1,738)
Current income tax expense	(1,529)	(1,606)	(1,463)	(1,421)
Deferred income tax expense	(60)	(210)	(20)	(360)
Total expenses	(4,801)	(4,185)	(8,659)	(3,519)
<u>Net Income (loss)</u>				
Net income (loss)	3,312	4,020	(752)	4,342
Basic earnings (loss) per Unit	0.22	0.26	(0.05)	0.29
Diluted earnings (loss) per Unit	0.22	0.26	(0.05)	0.23
<u>Distributable Cash² / Distributions / Payout Ratio³</u>				
Cash flows from operating activities	6,482	6,572	5,815	6,221
Class C distributions to BPI	(450)	(450)	(450)	(450)
BPI Class B entitlement	(917)	(915)	(903)	(986)
Interest paid on long-term debt	(276)	(216)	(213)	(215)
SIFT tax on Units ⁸	53	(156)	67	(31)
Distributable cash ²	4,892	4,835	4,316	4,539
Distributions payable ⁹	4,604	4,673	4,692	4,480
Payout Ratio ³	94.1%	96.6%	108.7%	98.7%
Distributable cash per Unit ²	0.324	0.315	0.277	0.303
Distributions payable per Unit ⁹	0.306	0.306	0.302	0.294

	Q3 2012	Q2 2012	Q1 2012	Q4 2011
(in thousands of dollars – except restaurants, Payout Ratio ³ and per Unit items)				
System-wide Gross Sales ⁴	239,269	237,955	226,065	232,713
Number of restaurants in Royalty Pool ⁵	341	341	342	336
Franchise Sales ¹ reported by restaurants in the Royalty Pool	186,084	183,593	176,581	177,465
<u>Revenues</u>				
Royalty revenue – 4% of Franchise Sales	7,443	7,344	7,063	7,098
Interest income	453	453	455	454
Total revenues	7,896	7,797	7,518	7,552
<u>Expenses</u>				
Administrative expenses and interest on bank debt	(616)	(512)	(477)	(432)
Interest expense on Class B Units and Class C Units ⁶	(1,628)	(1,628)	(1,061)	(2,042)
Fair value adjustment on Class B Unit liability ⁷	(5,890)	1,953	(11,563)	(3,308)
Fair value adjustment on interest rate swap	67	-	-	-
Subtotal	(8,067)	(187)	(13,101)	(5,782)
Current income tax expense	(1,350)	(1,351)	(1,301)	(1,396)
Deferred income tax expense	(60)	(70)	(20)	(70)
Total expenses	(9,477)	(1,608)	(14,422)	(7,248)
<u>Net Income (loss)</u>				
Net income (loss)	(1,581)	6,189	(6,904)	304
Basic earnings (loss) per Unit	(0.11)	0.42	(0.47)	0.02
Diluted earnings (loss) per Unit	(0.11)	0.24	(0.47)	0.02
<u>Distributable Cash² / Distributions / Payout Ratio³</u>				
Cash flows from operating activities	6,319	6,188	334	7,271
Class C distributions to BPI	(450)	(450)	(450)	(450)
BPI Class B entitlement	(1,211)	(1,178)	(1,154)	(1,099)
Interest paid on long-term debt	(130)	(285)	(257)	(234)
SIFT tax on Units ⁸	-	(1)	5,524	(1,396)
Distributable cash ²	4,528	4,274	3,997	4,092
Distributions payable ⁹	4,284	4,284	4,196	4,021
Payout Ratio ³	94.6%	100.2%	105.0%	98.3%
Distributable cash per Unit ²	0.311	0.293	0.274	0.281
Distributions payable per Unit ⁹	0.294	0.294	0.288	0.276

OUTLOOK

Boston Pizza is well positioned for future growth and should continue to strengthen its position as the number one casual dining brand in Canada by maintaining positive SSSG and continuing to open new Boston Pizza locations across Canada.

The two principal factors that affect SSSG are changes in customer traffic and changes in average guest cheque. BPI's strategies to drive higher guest traffic include attracting a wide variety of guests into the restaurant, sports bar and take-out/delivery parts of each location, offering a compelling value proposition to our guests and leveraging a larger marketing budget versus the previous year along with a revised calendar of national and local store promotions. Increased average cheque levels are expected to be achieved through a combination of culinary innovation and annual menu re-pricing. In addition, BPI's franchise agreement requires that each Boston Pizza restaurant undergo a complete store renovation every seven years. Restaurants typically close for two to three weeks to complete the renovation and experience an incremental sales increase in the year following the re-opening.

Boston Pizza remains well positioned for future expansion as evidenced by the five new Boston Pizza restaurants that have opened so far 2013 and the five additional locations that are currently under construction. BPI's management believe that Boston Pizza will continue to strengthen its position as the number one casual dining brand in Canada by pursuing further restaurant development opportunities across the country.

Certain information in this press 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 Fund, Boston Pizza Holdings Trust, the Partnership, Boston Pizza Holdings Limited Partnership, Boston Pizza Holdings GP Inc., Boston Pizza GP Inc., BPI, Boston Pizza restaurants, 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 press release, forward-looking information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" and other similar terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, the Fund and BPI assume no obligation to update previously disclosed forward-looking information.

For a complete list of the risks associated with forward-looking information and our business, please refer to the "Risks and Uncertainties" and "Note Regarding Forward-Looking Information" sections included in the Fund's most recent Management's Discussion and Analysis for the Period available at www.sedar.com and www.bpincomefund.com. The trustees of the Fund have approved the contents of this press release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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1 Franchise sales is the basis on which the royalty is payable; it means the revenues of Boston Pizza restaurants in respect of which the royalty is payable ("**Franchise Sales**"). The term "revenue" refers to the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI; and (ii) reported to BPI by franchised Boston Pizza restaurants in Canada, without audit or other form of independent assurance, and in the case of both (i) and (ii), after deducting revenue from the sale of liquor, beer, wine and tobacco and revenue from BPI approved national promotions and discounts and excluding applicable sales and similar taxes. Nevertheless, BPI periodically conducts audits of the Franchise Sales reported to it by its franchisees, and the Franchise Sales reported herein include results from sales audits of earlier periods.

2 Distributable Cash is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This non-IFRS financial measure provides useful information to investors regarding the amount of cash the Fund has generated for distribution on the Units. Investors are cautioned that this should not be construed as an alternative net income measure of profitability. The related tables in the Fund's Management Discussion and Analysis for the Period provide a reconciliation from this non-IFRS financial measure to cash flows from operating activities, which is the most directly comparable IFRS measure.

3 Payout Ratio is calculated by dividing the interest / distributions payable by the Fund in respect of the applicable period by the Distributable Cash² generated in that period. Payout Ratio is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This non-IFRS financial measure provides investors with useful information regarding the extent to which the Fund distributes cash on the Units. Investors are cautioned that this should not be construed as an alternative net income measure of profitability.

4 System-wide gross sales means the gross revenue: (i) of the corporate Boston Pizza restaurants in Canada owned by BPI; and (ii) reported to BPI by franchised Boston Pizza restaurants in Canada, without audit or other form of independent assurance, and in the case of both (i) and (ii), including revenue from the sale of liquor, beer, wine and tobacco and revenue from BPI approved national promotions and discounts and excluding applicable sales and similar taxes ("**System-wide Gross Sales**").

5 Number of restaurants in the Royalty Pool excludes restaurants that permanently closed during the applicable period.

6 The Class B general partner units of the Partnership (the "**Class B Units**") and the Class C general partner units of the Partnership (the "**Class C Units**") are classified as financial liabilities under IFRS, and as such, amounts paid by the Partnership to BPI in respect of the Class B Units and Class C Units are classified as interest expense and not distributions.

7 The Fund is required under IFRS to fair value the Class B Unit liability at the end of each period and adjust for any increase or decrease in the fair value of that liability as compared to the fair value of that liability at the end of the immediately preceding period. This adjustment has no impact on the Fund's Distributable Cash².

8 Specified Investment Flow through tax ("**SIFT Tax**") on Units is the SIFT Tax expense for the respective period (as a negative number) plus the amount of SIFT Tax paid in the respective period.

9 Under the declaration of trust governing the Fund, the Fund pays distributions on the Units in respect of any particular calendar month not later than the last business day of the immediately subsequent month. Accordingly, distributions on the Units in respect of the calendar month of January are paid no later than the last business day of February, distributions on the Units in respect of the calendar month of February are paid no later than the last business day of March and so forth. Consequently, distributions payable by the Fund on the Units in respect of the Period (as defined herein) were the July 2013 distribution (which was paid on August 31, 2013), the August 2013 distribution (which was paid on September 30, 2013) and the September 2013 distribution (which was paid on October 31, 2013). Similarly, the distributions payable by the Fund on the Units in respect of any other period are the distributions paid in the immediately subsequent month of each month comprising such other period.