



For Immediate Release

The Toronto Stock Exchange: BPF.UN

**BOSTON PIZZA ROYALTIES INCOME FUND & BOSTON PIZZA INTERNATIONAL INC.**  
**ANNOUNCE THIRD QUARTER 2003 RESULTS**

***Boston Pizza Royalties Income Fund Posts Strong  
Third Quarter Same Store Sales Growth of 5.0%***

VANCOUVER, BC, (November 28, 2003) - Boston Pizza Royalties Income Fund (the "Fund") and Boston Pizza International Inc. ("BPI") each reported today third quarter financial results for the period of July 1, 2003 to September 30, 2003 (the "Period"). A copy of the combined 2003 third quarter report is available at [www.sedar.com](http://www.sedar.com) and [www.bpincomefund.com](http://www.bpincomefund.com).

We are pleased to report that Boston Pizza continued to grow during the third quarter of 2003, posting an % growth in Franchise Sales over the same period in 2002. This is a result of the combination of new store openings and same store sales growth ("SSSG"). SSSG for the Period was 5.0% and 3.1% year-to-date. These positive results are indicative of the kind of success Boston Pizza can achieve even in a challenging environment. Boston Pizza performed well in the first nine months of 2003, despite the challenges facing the foodservice industry.

"It has been just over one year since the Fund's inception, we have delivered both the monthly distributions set out in the initial public offering and we raised monthly distributions beginning in June 2003," said Mike Cordoba, President and Chief Operating Officer for BPI and a Director of Boston Pizza GP Inc. "Boston Pizza is delivering industry leading results during a difficult time for the foodservice industry. Our positive results are a testament to the strength of the Boston Pizza brand. Going forward we will build on this success by continuing to focus on the organization's "Three Pillars" strategy - franchisee profitability, brand enhancement, and improving the customer experience."

For this Period, the Fund received royalty income of \$3,058,668 from BPI and distributions of \$0.25 per unit were declared. The Fund met all distribution targets and provided a second increase in monthly distributions this year in September from \$0.085 per unit to \$0.0867 per unit. The new monthly distribution translates into an annualized distribution of \$1.04 per unit.

Since inception on July 17, 2002, the Fund has generated basic earnings of \$1.25 per Fund unit on royalty income of \$13,507,976 from BPI and declared distributions of \$1.13 cents per Fund unit. September's distribution of \$0.0867 per Fund unit was declared and paid subsequent to September 30, 2003.

The Fund is a limited purpose, open-ended trust established under the laws of British Columbia to acquire indirectly certain trade marks and trade names used by BPI in its Boston Pizza restaurants in Canada. The trade marks are licensed to BPI for 99 years for which BPI pays the Fund 4% of franchise revenues of its 162 Boston Pizza restaurants in Canada as at November 1, 2002.

© Boston Pizza Royalties Limited Partnership. All Boston Pizza registered Canadian trade-marks and unregistered Canadian trade-marks containing the words "Boston", "BP", and/or "Pizza" are trade-marks owned by the Boston Pizza Royalties Limited Partnership and licensed by the Boston Pizza Royalties Limited Partnership to Boston Pizza International Inc.

© Boston Pizza International Inc. 2003

## HIGHLIGHTS

The following table sets out selected historical information and other data of the Fund, which should be read in conjunction with the attached consolidated financial statements of the Fund.

	Three month period ended September 30, 2003	Period from July 17, 2002 (inception of the Fund) to September 30, 2002	Nine month period ended September 30, 2003
Number of restaurants in Royalty Pool	162	154	162
Franchise Revenues reported by restaurants in Royalty Pool	\$ 76,466,700	\$ 57,088,228	\$ 213,496,413
Royalty & Interest Income	\$ 3,509,464	\$ 2,663,522	\$ 9,891,559
Earnings before non-controlling interest	\$ 3,311,187	\$ 2,507,172	\$ 9,241,215
Non-controlling interest <sup>1</sup>	\$ 996,550	\$ 776,333	\$ 3,133,949
Net earnings	\$ 2,314,637	\$ 1,730,839	\$ 6,107,266
Earnings per Fund unit	\$ 0.29	\$ 0.23	\$ 0.78
Distributions declared per Fund unit	\$ 0.25	\$ 0.12	\$ 0.67
Same Store Sales Growth	5.0%	Not Available	3.1%
Number of restaurants opened during period	5	4	10

### Notes:

<sup>1</sup> Represents Boston Pizza International's interest in the Fund.

### Outlook

Boston Pizza is well positioned for continued success in the remainder of 2003. BPI estimates that it will open an additional 5 restaurants in the final quarter of 2003, bringing the total estimated new Boston Pizza restaurants opened across Canada in 2003 to 15. BPI management further believes that the organization can continue to deliver on the most important metric to Unitholders, namely SSSG. Through strong television and radio advertising, and national and local promotions, BPI management believes that the organization can deliver industry-leading SSSG. As part of this SSSG, Boston Pizza will continue its unique renovation program that requires each location to renovate every seven years. For the remainder of 2003, an additional 6 renovations are planned, bringing the estimated total number of store renovations and relocations conducted in 2003 to 20. Historically SSSG for renovated locations has been, on average, 10-15% post renovation.

We remain confident that Boston Pizza will continue to enhance its position as Canada's Number One Casual Dining Brand.

© Boston Pizza Royalties Limited Partnership. All Boston Pizza registered Canadian trade-marks and unregistered Canadian trade-marks containing the words "Boston", "BP", and/or "Pizza" are trade-marks owned by the Boston Pizza Royalties Limited Partnership and licensed by the Boston Pizza Royalties Limited Partnership to Boston Pizza International Inc.

© Boston Pizza International Inc. 2003

Certain statements in this quarterly report 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 quarterly report such statements are such words as "may", "will", "expect", "believe", "plan", and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this quarterly report. These forward-looking statements involve a number of risks and uncertainties. The following are some factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking statements: competition; changes in demographic trends; changing consumer preferences and discretionary spending patterns; changes in national and local business and economic conditions; legislation and governmental regulation; accounting policies and practices; and the results of operations and financial condition of BPI. The foregoing list of factors is not exhaustive

*© Boston Pizza Royalties Limited Partnership. All Boston Pizza registered Canadian trade-marks and unregistered Canadian trade-marks containing the words "Boston", "BP", and/or "Pizza" are trade-marks owned by the Boston Pizza Royalties Limited Partnership and licensed by the Boston Pizza Royalties Limited Partnership to Boston Pizza International Inc.*

*© Boston Pizza International Inc. 2003*

**BOSTON PIZZA ROYALTIES INCOME FUND**  
**Consolidated Balance Sheets**

	September 30, 2003	December 31, 2002
	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash	\$ 238,414	\$ 245,270
Accounts receivable	-	12,840
Loan receivable from Boston Pizza International Inc. (note 5(a))	2,783,816	620,527
Due from Boston Pizza International Inc. (note 3)	1,152,350	1,162,500
Prepaid expenses	70,233	43,005
	<u>4,244,813</u>	<u>2,084,142</u>
Note receivable from Boston Pizza International Inc.	24,000,000	24,000,000
Intangible assets	109,348,900	109,348,900
Deferred financing charges, net of accumulated amortization of \$35,000 (December 31, 2002 - \$12,500)	55,000	77,500
	<u>\$ 137,648,713</u>	<u>\$ 135,510,542</u>
<b>Liabilities and Unitholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 143,813	\$ 386,515
Distributions payable to fund unitholders	-	640,577
Distributions payable to Boston Pizza International Inc. (note 5(a))	2,783,816	930,791
	<u>2,927,629</u>	<u>1,957,883</u>
Term loan	5,000,000	5,000,000
Non-controlling interest (Boston Pizza International Inc. - note 5)	54,606,970	58,052,900
Unitholders' equity	<u>75,114,114</u>	<u>70,499,759</u>
	<u>\$ 137,648,713</u>	<u>\$ 135,510,542</u>

Contingency (note 6)  
Subsequent events (note 8)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Fund:

William Brown

Robert Phillips

John Cowperthwaite

**BOSTON PIZZA ROYALTIES INCOME FUND**  
**Consolidated Statement of Earnings**  
(Unaudited)

	Three month period ended September 30, 2003	Period from July 17, 2002 to September 30, 2002	Nine month period ended September 30, 2003
Franchise revenues reported by Boston Pizza Outlets included in royalty pool	\$ 76,466,700	\$ 57,088,228	\$ 213,496,413
Revenue:			
Royalty income	\$ 3,058,668	2,283,529	\$ 8,539,857
Interest income	450,796	379,993	1,351,702
	3,509,464	2,663,522	9,891,559
Expenses:			
General and administrative	121,873	96,605	422,125
Interest	68,904	54,745	205,719
Amortization of deferred financing charges	7,500	5,000	22,500
	198,277	156,350	650,344
Earnings before non-controlling interest	3,311,187	2,507,172	9,241,215
Non-controlling interest (Boston Pizza International Inc. - note 5)	996,550	776,333	3,133,949
Net earnings	2,314,637	1,730,839	6,107,266
Weighted average units outstanding	8,010,522	7,690,000	7,798,015
Basic and diluted earnings per fund unit	\$ 0.29	\$ 0.23	\$ 0.78

**Consolidated Statement of Unitholders' Equity**  
(Unaudited)

	Three month period ended September 30, 2003	Period from July 17, 2002 to September 30, 2002	Nine month period ended September 30, 2003
Balance, beginning of period	\$ 71,076,401	\$ 70,386,000	\$ 70,499,759
Fund units issued on exchange of class A partnership units (note 5(b))	3,780,520	-	3,780,520
Net earnings	2,314,637	1,730,839	6,107,266
Distributions declared	(2,057,444)	(963,557)	(5,273,431)
Balance, end of period	\$ 75,114,114	\$ 71,153,282	\$ 75,114,114

See accompanying notes to consolidated financial statements.

**BOSTON PIZZA ROYALTIES INCOME FUND**  
**Consolidated Statement of Cash Flows**  
(Unaudited)

	Three month period ended September 30, 2003	Period from July 17, 2002 to September 30, 2002	Nine month period ended September 30, 2003
Cash provided by (used in):			
Operations:			
Net earnings	\$ 2,314,637	\$ 1,730,839	\$ 6,107,266
Items not involving cash:			
Amortization of deferred charges	7,500	5,000	22,500
Non-controlling interest (Boston Pizza International Inc. - note 5)	996,550	776,333	3,133,949
Change in non-cash operating working capital (note 7(a))	(70,275)	(670,005)	(246,940)
	<u>3,248,412</u>	<u>1,842,167</u>	<u>9,016,775</u>
Investments:			
Acquisition of BP Rights	-	(51,296,000)	-
Note receivable from Boston Pizza International Inc.	-	(24,000,000)	-
	<u>-</u>	<u>(75,296,000)</u>	<u>-</u>
Financing:			
Loan receivable from Boston Pizza International Inc.	(992,940)	-	(2,163,289)
Distributions paid to unitholders	(2,057,444)	(963,557)	(5,914,008)
Distributions paid to non-controlling interest unitholders (Boston Pizza International Inc. - note 5)	-	(466,069)	(946,334)
Issuance of fund units	-	76,900,000	-
Costs of issuance of fund units	-	(6,514,000)	-
Proceeds from term loan	-	5,000,000	-
Deferred financing charges	-	(90,000)	-
	<u>(3,050,384)</u>	<u>73,866,374</u>	<u>(9,023,631)</u>
Increase (decrease) in cash	198,028	412,541	(6,856)
Cash, beginning of period	40,386	-	245,270
Cash, end of period	<u>\$ 238,414</u>	<u>\$ 412,541</u>	<u>\$ 238,414</u>

See note 7(b) for supplementary cash flow information.

See accompanying notes to consolidated financial statements.

**1. Basis of presentation:**

These interim consolidated financial statements have been prepared by management using generally accepted accounting principles. The interim financial statements include all adjustments consisting solely of normal recurring adjustments, which in management's opinion, are necessary for a fair presentation of the financial results of the interim period presented.

The disclosures in these statements do not conform in all aspects to the requirements of generally accepted accounting principles for annual financial statements. These statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These statements should be read in conjunction with the significant accounting policies and other information in the Fund's most recent annual financial statements.

**2. Operations:**

On January 1, 2003, eight new Boston Pizza restaurants that opened during the period from May1, 2002 to November 1, 2002 were added to the Royalty Pool of the Fund. As a result of the additional sales created by these new stores, Boston Pizza International ("BPI") received additional entitlement equivalent to 448,273 Fund Units, or 4.46% of the issued and outstanding Fund Units on a fully diluted basis. BPI also received a proportionate increase in monthly distributions from the Fund. In June 2003, the Fund issued an additional entitlement of 22,859 units and paid an amount of \$15,543 to BPI. This additional distribution and entitlement was for adjustments to royalty payments of 12 restaurants included in the Royalty Pool that were open for less than twelve months at April 30, 2002. On July 15, 2003, BPI exchanged 378,052 class A partnership units for an equal amount of Fund units (note 5(b)). Following this exchange, BPI sold these units of the Fund at \$9.95 per unit to the public. BPI now holds securities convertible into 2,017,013 units of the Fund which equates to 20% of the fully diluted units of the Fund. BPI has agreed to maintain at least a 20% ownership, direct or indirect, in the Fund until such time as there are 275 restaurants in the Royalty Pool. A total of 162 restaurants are in the pool at September 30, 2003 (December 31, 2002 - 154 restaurants).

Boston Pizza International Inc. performs certain management functions, on behalf of the Fund, including accounting and administrative services.

**3. Due from Boston Pizza International Inc.:**

	September 30, 2003	December 31, 2002
Royalty fee receivable	\$ 1,002,350	\$ 1,012,500
Interest on note receivable	150,000	150,000
	<b>\$ 1,152,350</b>	<b>\$ 1,162,500</b>

**4. Distributable cash:**

	Three month period ended September 30, 2003	Period from July 17, 2002 to September 30, 2002	Nine month period ended September 30, 2003
Earnings for the period	\$ 2,314,637	\$ 1,730,839	\$ 6,107,266
Amortization of deferred financing charges	7,500	5,000	22,500
Non-controlling interest	996,550	776,333	3,133,949
	3,318,687	2,512,172	9,263,715
Distributable cash required for non-controlling interest	998,807	777,881	3,141,579
Distributable cash available for Fund units	\$ 2,319,880	\$ 1,734,291	\$ 6,122,136
Weighted average units outstanding	8,010,522	7,690,000	7,798,015
Distributable cash per Fund unit	\$ 0.29	\$ 0.23	\$ 0.79

Distributable cash is not an earnings measure recognized by generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other issuers. Basic and diluted distributable cash per Fund Unit is computed on a basis consistent with that described by GAAP for computing earnings per Fund Unit.

**5. Non-controlling interest:**

(a) Non-controlling interest relates to BPI's interest in the Fund as follows:

	September 30, 2003
Class A Boston Pizza Royalties Limited Partnership units (note 5(b))	\$ 12,272,380
Class B Boston Pizza Royalties Limited Partnership units	18,000,000
Class C Boston Pizza Royalties Limited Partnership units	24,000,000
	54,272,380
Non-controlling interest (Boston Pizza International Inc.) in earnings of the Partnership	3,133,949
Distributions owing to Partnership unitholders included in distributions payable	(2,783,816)
Distributions paid to Partnership unitholders (note 2)	(15,543)
	\$ 54,606,970

**5. Non-controlling interest (continued):**

(a) Non-controlling interest relates to BPI's interest in the Fund as follows (continued):

BPI has exercised its right to receive its entitlement to monthly cash distributions from the Partnership by way of a loan. The loan receivable from BPI will be settled and the distributions payable to BPI will be discharged on or before January 31, 2004.

(b) Exchange of class A units:

During the period, BPI exchanged 378,052 class A partnership units for 378,052 units of the Fund. This exchange was recorded at the Fund's carrying value of \$10.00 per partnership unit resulting in an increase of unitholders' equity and a decrease of non-controlling interest of \$3,780,520. Following this exchange, BPI sold these units of the Fund at \$9.95 per unit to the public (note 2).

**6. Contingency:**

Boston Pizza International Inc. ("BPI") and the Fund are involved in trademark litigation with entities affiliated with McDonald's Restaurant of Canada (the "McDonald's Group"), opposing the registration by the McDonald's Group in Canada of the Boston Market trademark. Management of BPI believes that there is a likelihood that the trademark will not be registered. Additionally, BPI and the Fund have commenced an action against the McDonald's Group to prevent them from infringing BPI's and the Fund's respective interests in the trademarks by operating Boston Market in Canada. The McDonald's Group has filed a counterclaim and a separate action challenging the validity of the registered trademark "Boston Pizza" and related trademarks under the Trademarks Act (Canada). Management does not believe that this action will succeed.

**7. Supplementary cash flow information:**

	Three month period ended September 30, 2003	Period from July 17, 2002 to September 30, 2002	Nine month period ended September 30, 2003
(a) Change in non-cash working capital:			
Accounts receivable	\$ 29,318	\$(1,053,492)	\$ 22,990
Prepaid expenses	(56,312)	(56,750)	(27,228)
Accounts payable and accrued liabilities	(43,281)	750,501	(242,702)
Distributions owing to Partnership unitholders included in accounts payable and accrued liabilities	-	(310,264)	-
	\$ (70,275)	\$ (670,005)	\$ (246,940)

**7. Supplementary cash flow information (continued):**

	Three month period ended September 30, 2003	Period from July 17, 2002 to September 30, 2002	Nine month period ended September 30, 2003
(b) Supplementary information:			
Interest received	\$ 450,796	229,993	\$ 1,351,702
Interest paid	71,918	54,745	185,081
Non-cash financing and investing activities:			
Distributions payable to non-controlling interest (Boston Pizza International Inc. – note 5)	992,940		2,783,816
Issuance of fund units on acquisition of BP rights	-	58,052,900	-
Exchange of partnership class A units (non-controlling interest) for Fund units (note 5(b))	3,780,520	-	3,780,520

**8. Subsequent events:**

On October 8, 2003, the Fund announced a distribution of \$0.0867 per unit (distribution for the month of June 2003 - \$0.0850 per unit) for the period September 1, 2003 to September 30, 2003, payable on October 31, 2003.

The trustees of the Fund have approved the contents of this press release.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

Robert Groom  
Director, Investor Relations  
Tel: 604-270-1108  
E-mail: [investorrelations@bostonpizza.com](mailto:investorrelations@bostonpizza.com)  
[www.bpincomefund.com](http://www.bpincomefund.com)