NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

For Immediate Release **Toronto Stock Exchange: BPF.UN**

BOSTON PIZZA ROYALTIES INCOME FUND ANNOUNCES ACCRETIVE ACQUISITION OF ADDITIONAL 1.5% OF FRANCHISE REVENUES FROM BOSTON PIZZA INTERNATIONAL INC. AND $112 MILLION BOUGHT DEAL FINANCING

Monthly cash distributions to increase 6.2% upon closing of the transaction

Highlights

- Proposed transaction increases the Fund's aggregate percentage of franchise revenues to 5.5% from the current 4.0%, expanding the Fund's exposure to Boston Pizza's proven track record of stability and growth of top-line sales.
- Transaction is immediately accretive to the Fund (approximately 9.0% on a pro forma basis) and will result in a 6.2% increase in cash distributions to Unitholders, to $1.30 per unit annually (10.83 cents monthly), upon completion.
- Consideration payable to BPI of approximately $156 million will be financed by a $112 million bought deal offering of 5,047,613 Fund units (via subscription receipts), increased borrowing of $33.3 million by the Fund, and the issuance to BPI of securities exchangeable for 752,387 Fund units, an amount that will maintain BPI's 13.0% retained interest in the Fund.

VANCOUVER, BC, March 23, 2015 - Boston Pizza Royalties Income Fund (the "Fund") (TSX: BPF.UN) and Boston Pizza International Inc. ("BPI") announced today that the Fund and BPI have entered into an agreement (the "Investment Agreement") for the acquisition of an increase in the Fund's interest in franchise revenues of Boston Pizza restaurants in Canada (the "Franchise Revenue Participation") by 1.5%[1]. The Fund currently has a right to receive 4.0% of franchise revenues from BPI under a license and royalty agreement[1]. Upon completion of the acquisition, the Fund will receive 5.5% of franchise revenues from Boston Pizza restaurants[1]. The transaction results in approximately $11.7 million of additional Franchise Revenue Participation on a pro forma basis[2].

As consideration for the increased Franchise Revenue Participation, BPI will receive approximately $156 million by way of a cash payment of $139 million and securities exchangeable for 752,387 units of the Fund ("Units"), enabling BPI to maintain its 13.0% retained interest in the Fund. In order to fund the cash portion of the consideration, the Fund has agreed to sell (on a bought deal basis) 5,047,613 subscription receipts for gross proceeds of $112 million (the "Offering") and will borrow approximately $33.3 million under expanded credit facilities with its current lender (see "Subscription Receipt Offering" and "Credit Facility" below).

The acquisition is approximately 9.0% accretive to the Fund based on pro forma 2014 estimates of distributable cash per unit[3]. Subject to the closing of the transaction, the trustees of the Fund (the "Trustees") intend to increase distributions to unitholders of the Fund ("Unitholders") commencing with the distribution paid in respect of the first record date after closing by 6.2% to $1.300 per Unit annually (10.83 cents monthly) from the current rate of $1.224 annually (10.20 cents monthly). This would mark the 17th increase in the rate of distributions to Unitholders since the inception of the Fund in July, 2002. Including the distribution for February 2015, which will be paid on March 31, 2015 to Unitholders of record on March 21, 2015, the Fund will have paid out 152 consecutive monthly distributions totalling $198.4 million, or $15.42 per Unit, over that same time.

“We are very pleased to have negotiated this transaction and to recommend its approval to Unitholders” said William C. Brown, Chairman of the Trustees for the Fund. “The stability and growth of top-line sales from BPI has been proven since the Fund’s initial public offering in 2002 and we are confident this is an appropriate time to increase our Franchise Revenue Participation. The transaction has an immediate accretive benefit to Unitholders, which will provide the Fund the ability to increase our monthly distributions while lowering our payout ratio on a pro forma basis following successful closing of the transaction, expected in May 2015. Taken together, the benefits of the transaction, and the funding we have arranged, result in an increased level of distributable cash per unit”.

The Fund will increase its Franchise Revenue Participation through an investment in a new limited partnership (“New LP”) controlled by BPI that will become the exclusive franchisor of Boston Pizza Restaurants in Canada. The Fund will indirectly acquire limited partnership units of New LP (“LP Units”) that entitle it to receive a preferential distribution equal to 1.5% of franchise revenues from Boston Pizza restaurants in the royalty pool, less BPI’s proportionate share. BPI will receive its proportionate share of the incremental 1.5% through distributions on general partnership units (“Class 2 GP Units”) of New LP that will be exchangeable for 752,387 Units, enabling BPI to maintain its 13.0% retained interest in the Fund. The Fund will continue to receive the balance of the Franchise Revenue Participation from BPI in the form of a royalty payment equal to 4.0% of franchise revenue from Boston Pizza restaurants in the royalty pool[1]. The number of Units that BPI will be entitled to receive will be adjusted periodically to reflect the addition of new Boston Pizza restaurants to the Fund’s royalty pool, similar to the exchangeable securities that BPI holds currently.

Following completion of the transaction, BPI will have the right to further increase the Fund’s Franchise Revenue Participation by an additional 1.5% of franchise revenues (in 0.5% increments) upon meeting certain financial thresholds designed to be accretive to Unitholders and to ensure that BPI retains the financial capacity to satisfy the additional Franchise Revenue Participation.

Summary of the Transaction and Approvals

The transaction involves a series of steps, which include:

- BPI (as general partner) and a subsidiary of the Fund (as limited partner) will form New LP.
- BPI will transfer franchise agreements, supplier contracts and certain related agreements to New LP in exchange for general partnership units (including the Class 2 GP Units) of New LP.
- The Fund will complete the Offering and enter into the New Credit Facility (as defined below).
- The Fund will indirectly acquire limited partnership units of New LP for $139 million, which amount will be financed by (i) the gross proceeds of the Offering, less $5.7 million (being the fees and expenses of the Offering and the Fund’s share of other transaction expenses) and the aggregate Distribution Entitlement (as defined below) and (ii) $33.3 million from the New Credit Facility.
- BPI and the Fund will enter into an exchange agreement pursuant to which, among other things, BPI will be permitted to exchange its Class 2 GP Units for 752,387 Units.
- New LP will distribute the subscription price for the LP Units to BPI by way of returns of capital on a class of general partnership units of the New LP.

The Trustees retained Fort Capital Corporation (“Fort Capital”) to provide a fairness opinion and a formal valuation in respect of the transaction. Fort Capital is of the opinion that, subject to the assumptions, limitations and qualifications contained therein, the consideration to be paid pursuant to the transaction is fair, from a financial point of view, to Unitholders (other than BPI). The Trustees also obtained advice and reports on the transaction from KPMG LLP and McCarthy Tétrault LLP.

The Trustees, after carefully and thoroughly reviewing the transaction and considering the fairness opinion of Fort Capital, the advice and reports of its advisors and other factors, unanimously approved the transaction and unanimously recommend that Unitholders vote to approve the transaction.

Completion of the transaction is subject to a number of conditions, including the completion of the Offering, the approval of Unitholders (excluding BPI and its affiliates) at a special meeting to be held on May 5, 2015, approval of the Toronto Stock Exchange, as well as other conditions customary for a transaction of this nature.

There can be no assurance that the transaction or the Offering will be completed as proposed or at all. The management information circular to be prepared in connection with the transaction is expected to be mailed to unitholders in early April.

Relevant investor materials will be filed on SEDAR and available within 10 days (including the Investment Agreement).

Subscription Receipt Offering

Concurrent with the transaction announcement, the Fund has entered into an agreement with a syndicate of underwriters led by TD Securities Inc., BMO Capital Markets, and CIBC World Markets Inc. and which includes RBC Capital Markets, Scotiabank, Laurentian Bank Securities Inc., National Bank Financial Inc. and Canaccord Genuity Corp. (collectively the “Underwriters”), pursuant to which the Underwriters will purchase, on a “bought deal” basis, an aggregate of 5,047,613 subscription receipts of the Fund (the “Subscription Receipts”) at a price of $22.10 per Subscription Receipt (the “Offer Price”). The proceeds of the Offering, less half of the underwriting fee, shall be held in escrow until closing of the Investment Agreement and other certain conditions are met (the “Release Condition”) are met. The Fund has applied to list the Subscription Receipts for trading on the Toronto Stock Exchange and such listing will be subject to the Fund fulfilling all the listing requirements of the Toronto Stock Exchange.

Upon satisfaction of the Release Condition, each Subscription Receipt will entitle the holder thereof to receive, without any further action or payment of additional consideration by the holder, one Unit and a payment equal to the amount of distributions that the holder would have received had it held a Unit instead of a Subscription Receipt (the “Distribution Entitlement”). In addition, if a record date for a distribution on Units occurs prior to the Release Condition being met and such distribution by the Fund is paid after the Subscription Receipts are exchanged for Units, the holders of the Subscription Receipts on the record date will be entitled to a payment equal to the amount they would have received had they held a Unit on the record date.

If the transaction does not close on or before 5:00 p.m. (Toronto time) on June 15, 2015, or if it is terminated at any earlier time or the Fund advises the Underwriters or announces to the public that it does not intend to proceed with the transaction (the date on which any of such events occurs being the “Termination Date”), holders of Subscription Receipts will receive the full Offer Price, together with their pro rata portion of interest earned thereon between closing of the Offering and the Termination Date (less applicable withholding taxes, if any).

A preliminary short form prospectus qualifying the distribution of the Subscription Receipts will be filed with the securities regulatory authorities in each of the provinces and territories of Canada. Closing of the Offering is expected to occur on or about April 16, 2015.

This press release is not an offer of Subscription Receipts for sale in the United States. The Subscription Receipts may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. The Fund has not registered and will not register the Subscription Receipts under the U.S. Securities Act of 1933, as amended. The Fund does not intend to engage in a public offering of Subscription Receipts in the United States. This press release shall not constitute an offer to nor shall there be any sale of the Subscription Receipts in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Credit Facility

The Fund, through its subsidiaries, will borrow $33.3 million to be used in respect of the transaction from the Bank of Montreal, Corporate Finance Division through a senior credit facility totalling approximately $90 million (the “New Credit Facility”). The New Credit Facility is conditional on completion of the transaction and a portion of the proceeds being used to repay all existing bank borrowing. The New Credit Facility will have a term of 5 years, be non-amortizing, and bear interest at fixed or variable rates, as selected by the Fund, comprised of either or a combination of bankers’ acceptance rates plus between 1.00% and 1.50%, or the bank’s prime rate plus between 0.00% and 0.50%, depending upon debt to EBITDA ratios. The New Credit Facility will be guaranteed by the Fund and secured by the assets owned by the Fund, including the 4% royalties payable by BPI, and has customary covenants usual for this type of a credit facility.

Retained Interest of BPI

BPI's retained interest in the Fund is held through Class B Units of the Boston Pizza Royalties Limited Partnership and GP Units of New LP ("Retained Units"). Upon closing of the transaction, the Retained Units will entitle BPI to a 13.0% share of the Franchise Revenue Participation, the same level as BPI is currently entitled to from the 4% royalty paid to the Fund. The Retained Units will be immediately exchangeable into 12.7% of the Fund with equivalent voting rights (increasing to an estimated level of 13.0% upon audit of 2015 franchise revenues for restaurants added to the Royalty Pool on January 1, 2015). As part of the transaction, BPI will agree to hold Retained Units representing not less than a 10% interest in the Fund (unless diluted by future Unit issuances of the Fund).

Forward-Looking Statements

Certain information in this press release constitutes “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, Boston Pizza Royalties Limited 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. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Fund or management of BPI expects or anticipates will or may occur in the future, including such things as, the completion of the transaction or any part thereof, as currently contemplated or at all, the completion of the Offering, the use of proceeds of the Offering, the entry into the New Credit Facility and the anticipated interest rate on amounts owed under the New Credit Facility, the use of the funds drawn on the New Credit Facility, the expected increase in revenue to the Fund as a result of the transaction, the level of accretion from the transaction, the anticipated increase in monthly distributions on the Units, and other such matters are forward-looking information. When used in this press release, forward-looking information may include words such as “anticipate”, “estimate”, “may”, “will”, “expect”, “believe”, “plan”, “should”, “continue” and other similar terminology. The material factors and assumptions used to develop the forward-looking information contained in this press release include the following: the anticipated impact and results of the transaction, the completion of the transaction as currently contemplated, the transaction steps being completed in the time expected, including third party actions and consents, future results being similar to historical results, expectation related to future general economic conditions, business plans, receipt of franchise fees and other amounts, franchisees access to financing, pace of commercial real estate development, protection of intellectual property rights of the Boston Pizza Royalties Limited Partnership and absence of changes of laws (including tax laws). Risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by the forward-looking information contained herein, relate to (among others) competition, demographic trends, consumer preferences and discretionary spending patterns, business and economic conditions, legislation and regulation, distributable cash and reliance on operating revenues, accounting policies and practices, the results of operations and financial condition of BPI and the Fund, as well as those factors discussed under the heading “Risks and Uncertainties” in the Fund’s Management’s Discussion and Analysis for the period and year ended December 31, 2014. 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 Management’s Discussion and Analysis for the period and year ended December 31, 2014 available at www.sedar.com and www.bpincomefund.com.

The Trustees of the Fund have approved the contents of this news release.

FOR FURTHER INFORMATION PLEASE CONTACT:

Jordan Holm
Senior Vice President of Investor Relations
Tel: 604-303-6083
E-mail: investorrelations@bostonpizza.com
www.bpincomefund.com

---

[1] References to Franchise Revenue Participation of 1.5%, 4.0% and 5.5% of franchise revenues from Boston Pizza restaurants in the Fund’s royalty pool include BPI’s retained interest of 13.0%. See “Retained Interest by BPI” section above.

[2] The additional $11.7 million of pro forma Franchise Revenue Participation is based on actual franchise revenues of $782 million by Boston Pizza restaurants in the Fund’s royalty pool for the year ended December 31, 2014 and does not include the impact of eight net new Boston Pizza restaurants that opened in 2014 and were added to the Fund’s royalty pool on January 1, 2015.

[3] The 9.0% pro forma accretion figure is based on the assumption that the transaction was completed on January 1, 2014 resulting in pro forma distributable cash of $1.340 per unit versus the actual distributable cash of $1.229 per unit for the year ended December 31, 2014. Distributable cash per unit is a non-IFRS measure and as such, does not have a standardized meaning under International Financial Reporting Standards. For additional information regarding this financial metric, see the heading "Description of Non-IFRS and Additional IFRS Measures" in the Fund’s Management's Discussion and Analysis for the period and year ended December 31, 2014.