



FinancialContent is the trusted provider of stock market information to the media industry.

Dow	16,458.56	Nasdaq	4,197.58	S&P 500	1,838.70	10Y Yield	2.83	Bitcoin	930.00	Euro	1.35
↑ +41.55	+0.25%	↓ -21.11	-0.50%	↓ -7.19	-0.39%	↓ -0.01	-0.35%	↑ +16.98	+1.83%	↓ -0.01	-0.55%

[Markets](#) | [Stocks](#) | [Funds](#) | [Sectors](#) | [Tools](#)
[Overview](#) | [Market News](#) | [Market Videos](#) | [Currencies](#) | [International](#) | [Treasury & Bonds](#)

[Search InvestCenter](#) ▶
[Recent Quotes](#) ▶ [My Watchlist](#) ▶ [Indicators](#) ▶

Sponsored Financial Commentaries and Offers

Learn how to make the right retirement choices for you
[Find Out More](#)

Our toolkit helps you understand the essentials of estate planning.
[Get our free kit.](#)

Free 30 Day Trial!

Just Pay \$9.95 P&H
[Click Here](#)

MONEYNEWS

By: [Boston Pizza Royalties Income Fund and Boston Pizza International Inc.](#) via [Marketwired News](#)

Releases

January 02, 2014 at 17:37 PM EST

Boston Pizza International Adds 12 New Restaurants Opened in 2013 to the Royalty Pool of Boston Pizza Royalties Income Fund

VANCOUVER, BRITISH COLUMBIA -- (Marketwired) -- 01/02/14 -- Boston Pizza Royalties Income Fund ([TSX: BPF.UN](#)) (the "Fund") and Boston Pizza



International Inc. ("BPI") announced today that effective January 1, 2014, the Fund's royalty pool (the "Royalty Pool") has been adjusted to include the royalties from 12 new full service restaurants opened across Canada between January 1, 2013 and December 31, 2013 (the "Period"). Two full service restaurants were permanently closed during the Period. This is the twelfth consecutive annual increase of royalties payable to the Fund. With the adjustment for these openings and closures during 2013, the Royalty Pool now includes 358 Boston Pizza restaurants.

The Fund indirectly owns the Boston Pizza trademarks and trade names used by BPI in its Boston Pizza restaurants in Canada. In 2002, the Fund licensed these trademarks to BPI for 99 years and in return BPI pays the Fund a top line royalty of 4% of franchise revenues of Royalty Pool restaurants. Annually, the Royalty Pool of Boston Pizza restaurants is adjusted to include the new Boston Pizza restaurants opened in the prior year net of any permanent closures.

- [McConnell: New EPA Rules Kill Coal](#)
- [Fed Budget Comes to \\$3 Million Per Word](#)
- [Kudlow: Business Wants Growth, Democrats Don't](#)
- [NY Attorney General: New Bureau to Battle Financial Crime](#)
- [Rate Obama's Presidency — Vote Now](#)
- [FEMA May Be Hoarding Emergency Food Supplies](#)

Free Supple® Powder Mix

[What's This?](#)

supplebodies.com/trial

30 Days of Supple® Powder for
Free! Just Pay P&H. Order Online
Today.



"We are very pleased with the 12 new Boston Pizza restaurants opened in 2013, including six in Western Canada, four in Ontario and two in Quebec. These new locations further strengthen our position as Canada's number one casual dining brand," said Mark Pacinda, President and Chief Executive Officer of BPI. "Since the inception of the Fund, the Royalty Pool has added more than 200 new Boston Pizza restaurants, growing from 154 in 2002 to 358 locations across the country today."

On January 1 of each year (the "Adjustment Date"), an adjustment is made to add to the Royalty Pool new Boston Pizza restaurants that opened and to remove any Boston Pizza restaurants that permanently closed since the last Adjustment Date. In return for adding net additional royalty revenue, BPI receives the right to indirectly acquire additional units of the Fund ("Additional Entitlements"). The adjustment for net additional royalty revenue added to the Royalty Pool is designed to be accretive to unitholders. The Additional Entitlements are calculated at 92.5% of the estimated net royalty revenue added to the Royalty Pool, multiplied by one minus the estimated effective average tax rate (expressed as a decimal) that the Fund will pay during that year, divided by the yield of the Fund, divided by the weighted average unit price. BPI receives 80% of the Additional Entitlements initially, with the balance received when both the actual full year performance of the new restaurants and the effective average tax rate paid by the Fund are known with certainty. BPI receives 100% of distributions from the Additional Entitlements throughout the year. Once these new restaurants have been part of the Royalty Pool for a full year, an audit of each of the royalty revenues of these restaurants received from BPI and the effective average tax rate paid by the Fund is performed. At such time an adjustment is made to reconcile distributions paid to BPI and the Additional Entitlements received by BPI.

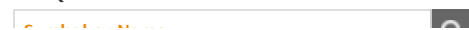
In return for adding the royalty revenue from the 12 new restaurants to the Royalty Pool, less revenue from the two permanent closures, BPI has received 355,750 Additional Entitlements. The 355,750 represents 80% (444,688 represents 100%) of the Additional Entitlements with the balance to be received (as adjusted) by BPI when both the actual full year performance of the new restaurants and the effective average tax rate paid by the Fund are known with certainty. The 355,750 Additional Entitlements represents 2.0% of the Fund units on a fully diluted basis. The full 444,688 Additional Entitlements would represent 2.5% of the Fund on a fully diluted basis. Including the 444,688 Additional Entitlements described above, BPI has the right to acquire 2,687,423 Fund Units, representing 15.2% of the Fund Units on a fully diluted basis. The issuance of the Additional Entitlements to BPI is subject to approval by the Toronto Stock Exchange.

The estimated annual gross franchise revenue for the 12 new restaurants in 2014 is \$22.6 million. Pursuant to the Amended and Restated Limited Partnership Agreement governing Boston Pizza Royalties Limited Partnership, BPI is required to deduct from this amount the actual gross franchise revenue received from the two permanently closed restaurants during the first 12 month period immediately following their addition to the Royalty Pool, which is \$2.8 million. Consequently, the estimated annual net franchise revenue for the new restaurants in 2013 is \$19.8 million. The estimated 4% royalty revenue the Fund will receive in 2014 from these additional new restaurants is \$0.8 million. The pre-tax royalty revenue for the purposes of calculating the Additional Entitlements, therefore, is approximately \$0.7 million or 92.5%. The estimated effective average tax rate that the Fund will pay in the calendar year 2014 is 26.0%. Accordingly, the after-tax royalty revenue for the purposes of calculating the Additional Entitlements is approximately \$0.5 million (\$0.7 million x (1 - 0.26)). Once both the actual performance of these new restaurants for 2014 and the actual effective average tax rate paid by the Fund for 2014 are known, the number of Additional Entitlements will be adjusted in 2015 to reflect the actual royalty revenue received by the Fund in 2014 and the actual effective average tax rate paid by the Fund in 2014. As of January 1, 2014, there are 358 restaurants in the Royalty Pool.

Summary of Boston Pizza Royalties Income Fund Units

Issued &
Outstanding

Get Quote



	Issued & Outstanding Units, & Additional Entitlements	Additional Entitlements & Holdback of Additional Entitlements
Issued and Outstanding Units as of December 31, 2013	15,029,544	15,029,544
BPI Additional Entitlements - Outstanding as of December 31, 2013	2,203,845	2,203,845
BPI Additional Entitlements - Holdback as of December 31, 2013	N/A	38,890 (1)

Number of Fully Diluted Units as of December 31, 2013	17,233,389	17,272,279

Issued and Outstanding Units as of December 31, 2013 & January 1, 2014	15,029,544	15,029,544
BPI Additional Entitlements - Outstanding as of December 31, 2013	2,203,845	2,203,845
BPI Additional Entitlements - Holdback as of December 31, 2013	N/A	38,890 (1)
BPI Additional Entitlements - Issued & Outstanding as of January 1, 2014 (10 net new Restaurants added to Royalty Pool)	355,750	355,750 (2)
BPI Additional Entitlements - Holdback as of January 1, 2014 (10 net new Restaurants added to Royalty Pool)	N/A	88,938 (3)

Number of Fully Diluted Units as of January 1, 2014	17,589,139	17,716,967

BPI Total Ownership as of January 1, 2014	14.6%	15.2%
BPI Ownership based on 10 net new Restaurants added to Royalty Pool only as of January 1, 2014	2.0%	2.5%

(1) Additional Entitlements from the 5 net new restaurants added to Royalty Pool on January 1, 2013 determined in 2014, once audited results of the 5 net new restaurants and actual effective average tax rate paid by the Fund are known.

(2) Issued effective January 1, 2014.

(3) Holdback of Additional Entitlements from 10 net new restaurants added to Royalty Pool on January 1, 2014. Actual number of Additional Entitlements will be determined in early 2015, effective January 1, 2014, once audited results of the 10 net new restaurants and actual effective average tax rate paid by the Fund are known.

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

© Boston Pizza Royalties Limited Partnership. All Boston Pizza registered Canadian trade-marks and

Symbol or Name

Stocks With The Best Dividend

fool.com

Learn Dividend Investing From The Motley Fool. Read our Free Report!



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

TO OBTAIN A COPY OF THE RELATED EARLY WARNING REPORT PLEASE CONTACT JORDAN HOLM VIA THE CONTACT INFORMATION LISTED BELOW.

Contacts:

Boston Pizza

Jordan Holm

Vice President, Investor Relations

604-303-6083

investorrelations@bostonpizza.com

www.bpincomefund.com

0 comments



Start the discussion...

Best ▾

Community

Share

Login ▾

Be the first to comment.

Subscribe

Add Disqus to your site

DISQUS

Related Stocks:

[BOSTON PIZZA TU](#)

Free Investment Guides and Reports



Find out how working with an Advisor could help you reach your goals.

[GET OUR FREE KIT.](#)



Calculate your retirement savings goal with My Retirement Plan®

[FIND OUT MORE](#)



Our toolkit helps you understand the essentials of estate planning.

[GET OUR FREE KIT.](#)



#1 In Customer Service & Usability. Only \$4.95 per Stock Trade.

[OPEN AN ACCOUNT](#)



Changing jobs or retiring? Let us help you understand the options.

[GET OUR FREE GUIDE.](#)



Find out how working with an Advisor could help you reach your goals.

[GET OUR FREE KIT.](#)



Stock Market XML and JSON Data API provided by FinancialContent Services, Inc.

Nasdaq quotes delayed at least 15 minutes, all others at least 20 minutes.

Markets are closed on certain holidays. [Stock Market Holiday List](#)

By accessing this page, you agree to the following

[Privacy Policy](#) and [Terms and Conditions](#).

[Press Release Service](#) provided by PRConnect.

Stock quotes supplied by Telekurs USA