



The Keg Royalties Income Fund Posts Record Year End Results

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Vancouver, March 5, 2010 – The Keg Royalties Income Fund (the “Fund”) has reported record financial results for the quarter and year ended December 31, 2009. System sales reported by Keg Restaurants Ltd (“KRL”), Royalty Pool sales, royalty income, earnings before income taxes and distributable cash all increased from the prior year to reach new record levels.

Gross sales reported by Keg restaurants in the Royalty Pool increased by \$12,063,000 or 11.4% to \$117,885,000 during the quarter and by \$21,801,000 or 5.0% to \$454,898,000 for the year. The increase in sales reflects the impact of an extra week of sales in both the quarter and the year, which results from The Keg’s floating year-end date and occurs approximately every five years. It also reflects the net impact of the addition of new sales to the Royalty Pool, net of a decrease in same store sales.

The Keg’s quarterly same store sales (sales of restaurants that operated during the entire 14-week period of the current year and the 13-week period of the prior year) increased by 7.3% in Canada and decreased by 2.9% in the United States. Same store sales for the year (sales of restaurants that operated during the entire 53-week period of the current year and the 52-week period of the prior year) decreased by 1.2% in Canada and by 10.6% in the United States. After deducting the additional week of sales for comparative purposes, same store sales increased by 0.1% in Canada and decreased by 9.6% in the United States for the 13-week periods, and decreased by 3.1% in Canada and by 12.3% in the United States for the 52-week periods. After translating the sales of the U.S. restaurants into their Canadian dollar equivalent, consolidated same store sales decreased by 2.5% for the comparable 13-week periods and by 3.4% for the comparable 52-week periods.

“We are very pleased to report record results for the Fund, particularly given the challenging economic environment we faced in 2009,” said David Aisenstat, The Keg’s President and Chief Executive Officer. “While many companies in the casual dining industry have seen sales and profitability decline significantly, The Keg continues to enjoy the loyalty of our guests. We view this as an endorsement of our commitment to delivering the high levels of quality, service and value that have built the strength of The Keg brand for nearly forty years.”

Royalty income increased by \$590,000 or 13.8% to \$4,879,000 for the quarter, and by \$1,151,000 or 6.6% to \$18,645,000 for the year, as a result of increased gross sales.

Earnings before income taxes increased by 6.7% to 33.6 cents/Fund unit from 31.5 cents/Fund unit during the quarter, and by 0.4% to \$1.285/Fund unit from \$1.280/Fund unit for the year.

Distributable cash available to pay distributions to Fund unitholders increased by 6.1% to 32.8 cents/Fund unit from 30.9 cents/Fund unit for the quarter, and by 0.9% to \$1.288/Fund unit from \$1.276/Fund unit for the year. The Fund has paid distributions of 32.0 cents/Fund unit during the quarter, and \$1.278/Fund unit for the year.

FINANCIAL HIGHLIGHTS

(\$000's except per unit amounts)	Oct. 1 to Dec. 31, 2009	Oct. 1 to Dec. 31, 2008	Jan. 1 to Dec. 31, 2009	Jan. 1 to Dec. 31, 2008
Restaurants in the Royalty Pool	102	96	102	96
Gross sales reported by Keg restaurants				
in the Royalty Pool.....	\$ 117,885	\$ 105,822	\$ 454,898	\$ 433,097
Royalty income.....	\$ 4,879	\$ 4,289	\$ 18,645	\$ 17,494
Partnership expenses	(101)	(103)	(397)	(376)
Partnership earnings	4,778	4,186	18,248	17,118
KRL's interest.....	(2,445)	(2,045)	(9,546)	(8,253)
Equity income	2,333	2,141	8,702	8,865
Interest income	1,078	1,083	4,280	4,319
Total income	3,411	3,224	12,982	13,184
Interest and financing expenses.....	(151)	(164)	(509)	(766)
Earnings before income taxes	\$ 3,260	\$ 3,060	\$ 12,473	\$ 12,418
Net earnings	\$ 3,110	\$ 2,860	\$ 12,398	\$ 12,368
Distributable cash	\$ 3,182	\$ 2,999	\$ 12,501	\$ 12,382
Distributions paid	\$ 3,100	\$ 3,100	\$ 12,401	\$ 12,343
Earnings before income taxes per Fund unit ⁽¹⁾	\$.336	\$.315	\$ 1.285	\$ 1.280
Earnings per Fund unit ⁽¹⁾	\$.321	\$.295	\$ 1.278	\$ 1.275
Distributable cash per Fund unit ⁽¹⁾	\$.328	\$.309	\$ 1.288	\$ 1.276
Distributions paid per Fund unit ⁽²⁾	\$.320	\$.320	\$ 1.278	\$ 1.272
Payout Ratio ⁽¹⁾	97.4%	103.4%	99.2%	99.7%

⁽¹⁾ All per unit amounts are calculated based on the weighted average number of Fund units outstanding, which are those units held by public unitholders during the respective period.

⁽²⁾ Net earnings for the three months ended December 30, 2009, reflect the non-cash future income tax expense of \$150,000, (three months ended December 31, 2008 - \$200,000), and for the year ended December 31, 2009, the non-cash future income tax expense of \$75,000 (year ended December 31, 2008 - \$50,000).

A copy of the complete financial results will be available at www.sedar.com or on the Fund's website at www.kegincomefund.com.

The Keg Royalties Income Fund (TSX – KEG.UN) is a limited purpose, open-ended trust established under the laws of the Province of Ontario that, through The Keg Rights Limited Partnership, owns certain trademarks and other related intellectual property used by Keg Restaurants Ltd. (“KRL”). In exchange for use of those trademarks, KRL pays the Fund a royalty of 4% of gross sales of Keg restaurants included in the royalty pool. Vancouver-based Keg Restaurants Ltd. is the leading operator and franchisor of the steakhouse restaurants in Canada and has a substantial presence in select regional markets in the United States.

Vancouver-based Keg Restaurants Ltd. is the leading operator and franchisor of steakhouse restaurants in Canada and has a substantial presence in select regional markets in the United States. KRL continues to operate The Keg restaurant system and expand that system through the addition of both corporate and franchised Keg steakhouses. Keg Restaurants Ltd. has been named one of the “50 Best Employers in Canada” for the past eight years by the Globe and Mail's *Report on Business Magazine*. For more information on our brand, visit www.kegsteakhouse.com

This press release may contain certain "forward looking" statements reflecting The Keg Royalties Income Fund's current expectations in the casual dining segment of the restaurant food industry. Investors are cautioned that all forward looking statements involve risks and uncertainties, including those relating to the Keg's ability to continue to realize historical same store sales growth, changes in market and existing competition, new competitive developments, and potential downturns in economic conditions generally. Additional information on these and other potential factors that could affect the Fund's financial results are detailed in documents filed from time to time with the provincial securities commissions in Canada.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of the prospectus, nor shall there be any sale of the Fund units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state, province or jurisdiction. The Keg Royalties Income Fund units have not been, and will not be registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an application for exemption from the registration requirement under U.S. securities laws.

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

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