PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES RECORD FIRST QUARTER SALES AND EBITDA

VANCOUVER, B.C., May 9, 2013. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the first quarter of 2013.

HIGHLIGHTS

- Revenue for the quarter increased by 5.9% to a record $229.2 million from $216.4 million in the first quarter of 2012.
- Record Adjusted EBITDA for the quarter of $12.8 million as compared to $11.6 million in the first quarter of 2012.
- A quarterly dividend of $6.2 million or $0.294 per share.
- Rolling four quarters free cash flow of $47.8 million or $2.30 per share resulting in a dividend to free cash flow ratio of 51.4%.
- The purchase of certain segments of the business of Harbour Marine Products Inc., namely its salmon and high grade sushi tuna processing businesses, for $2.0 million.
- The acquisition of Freybe Gourmet Foods Ltd., one of western Canada's leading manufacturers of premium gourmet deli meats, for $55.0 million.
- An increase in its quarterly dividend to $0.3125 per share from the previous rate of $0.294 per share. The increase will commence for the dividend period ended June 28, 2013 with the first dividend under the new rate being payable on July 15, 2013.

SUMMARY FINANCIAL INFORMATION

(In thousands of dollars except per share amounts and ratios)	**13 Weeks Ended Mar 30, 2013**	**13 Weeks Ended Mar 31, 2012**
Revenue	229,181	216,443
Adjusted EBITDA	12,758	11,603
Net earnings	1,166	1,161
EPS	0.06	0.06

	Rolling Four Quarters Ended	
	Mar 30, 2013	**Dec 31, 2012**
Free cash flow	47,813	46,784
Declared dividends	24,576	24,381
Declared dividend per share	1.176	1.176
Payout ratio	51.4%	52.1%

“Although we are pleased with our overall performance for the quarter, we still have some work to do,” said Mr. George Paleologou, President and CEO.

“We have made significant capital investments in many of our businesses over the last year and a half and expect to start generating solid returns on these initiatives in the coming quarters. This, combined with our recent Freybe acquisition, which we expect to be very synergistic, and the significant progress being made on the restructuring of our NDSD business, positions us for a strong second half of 2013.

“In the meantime, our diversified group of businesses and their focus on selling premium, branded specialty products continues to deliver consistent growth and earnings. This is despite the range of issues currently facing the food industry and the constant economic headwinds that are challenging all businesses.

“Our recently announced 6.3% dividend increase reflects our confidence in our business model and the competitive strength of the many entrepreneurial businesses under the Premium Brands umbrella.

“In terms of acquisitions, we are working on a number of exciting opportunities and expect that 2013 will be another eventful year,” said Mr. Paleologou.

About Premium Brands

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nevada and Washington State. The Company services over 22,000 customers and its family of brands and businesses include Grimm’s, Harvest, McSweeney’s, Bread Garden Go, Hygaard, Hempler’s, Quality Fast Foods, Gloria’s Best of Fresh, Direct Plus, National Direct-to-Store Distribution (NDSD), Harlan Fairbanks, Creekside Bakehouse, Centennial Foodservice, B&C Food Distributors, Shahir, Wescadia, Duso’s, Maximum Seafood, SK Food Group, OvenPride, Hub City Fisheries, Audrey’s, Deli Chef, Piller’s and Freybe.

For further information, please contact George Paleologou, President and CEO or Will Kalutycz, CFO at (604) 656-3100.

RESULTS OF OPERATIONS

Revenue

(in thousands of dollars except percentages)	13 weeks ended Mar 30, 2013	%	13 weeks ended Mar 31, 2012	%
Revenue by segment:				
Retail	138,323	60.4%	132,627	61.3%
Foodservice	90,858	39.6%	83,816	38.7%
Consolidated	229,181	100.0%	216,443	100.0%

Retail's revenue for the first quarter of 2013 as compared to the first quarter of 2012 increased by $5.7 million or 4.3% due to organic growth across a range of products and customers. Its growth rate was below the Company's targeted range of 6% to 8% primarily due to the following factors:

(i) The restructuring of Retail's NDSD business' distribution network (see *Restructuring Costs*). This initiative includes the conversion of NDSD's customers in certain defined territories from being serviced by NDSD's direct-to-store delivery (DSD) trucks to being serviced by exclusive third party distributors that form part of NDSD's distribution network. As a result, in territories that have been converted the Company now sells its products at a discounted price to an exclusive third party distributor who in turn sells and distributes the Company's products to convenience store retailers;

(ii) The decision by two large convenience store chains to use basic service wholesale distributors instead of NDSD's full service DSD network to deliver the Company's products to their stores. Similar to the impact of transitioning certain business to third party distributors, this resulted in the Company selling its products at a discounted price to wholesale distributors who in turn sell and distribute the products to the applicable convenience store chain's retail locations; and

(iii) The sale of Retail's fresh sandwich operation in Etobicoke, Ontario in the fourth quarter of 2012.

Excluding the $3.7 million sales decrease associated with the above factors, Retail's organic growth rate for the quarter was approximately 7.1%.

Looking forward (see *Forward Looking Statements*), for the balance of 2013 the Company expects Retail's organic sales growth to be at or slightly below its long-term targeted range of 6% to 8%.

Foodservice's revenue for the first quarter of 2013 as compared to the first quarter of 2012 increased by $7.0 million or 8.4% due to: (i) general organic growth of $3.8 million representing an organic growth rate of 4.8%; (ii) the acquisition of certain businesses from Harbour Marine which accounted for $1.8 million of the increase; and (iii) increased sales in its Worldsource food brokerage business of $1.4 million resulting from improved trading opportunities.

Foodservice's organic growth rate for the quarter was below the Company's long-term target of 6% to 8% due to: (i) a general shortage of wild and exotic fish species that impacted the sales of its Maximum Seafood and Hub City Fisheries businesses; and (ii) poorer than normal weather in a number of areas across Canada in the latter half of the quarter which impacted its Centennial Foodservice and Harlan Fairbanks businesses.

Looking forward (see *Forward Looking Statements*), for the balance of 2013 the Company expects Foodservice's organic sales growth to be within its long-term targeted range of 6% to 8%.

Gross Profit

(in thousands of dollars except percentages)	13 weeks ended Mar 30, 2013	%	13 weeks ended Mar 31, 2012	%
Gross profit by segment:				
Retail	27,982	20.2%	28,741	21.7%
Foodservice	16,557	18.2%	15,058	18.0%
Consolidated	44,539	19.4%	43,799	20.2%

Retail's gross profit as a percentage of its revenue (gross margin) for the first quarter of 2013 as compared to the first quarter of 2012 decreased due to: (i) temporary production inefficiencies at SK Food Group's Reno, NV plant due to a combination of the launch of new sandwich wraps for two large international customers in the fourth quarter of 2012 and the installation of several new pieces of equipment during the first quarter of 2013; (ii) lower margins at NDSD resulting from the transition of certain product sales to third party distributors and wholesale distributors (see *Revenue*); and (iii) increased plant overheads associated with Stuyver's new artisan bakery in Langley, BC, which was completed in the third quarter of 2012, and Deli Chef's new sandwich production facility in Laval, QC, which was completed at the end of the second quarter of 2012.

Foodservice's gross margin for the first quarter of 2013 as compared to the first quarter of 2012 remained relatively stable.

Selling, General and Administrative Expenses (SG&A)

(in thousands of dollars except percentages)	13 weeks ended Mar 30, 2013	%	13 weeks ended Mar 31, 2012	%
SG&A by segment:				
Retail	18,154	13.1%	19,162	14.4%
Foodservice	12,061	13.3%	11,594	13.8%
Corporate	1,566		1,440	
Consolidated	31,781	13.9%	32,196	14.9%

Retail's SG&A in the first quarter of 2013 as compared to the first quarter of 2012 decreased by $1.0 million due to the rationalization of NDSD's distribution network (see *Restructuring Costs*). This decrease was partially offset by increased selling and marketing costs associated with Retail's organic sales growth (see *Revenue*).

Foodservice's SG&A in the first quarter of 2013 as compared to the first quarter of 2012 increased by $0.5 million due to: (i) higher variable selling costs associated with Foodservice's organic sales growth (see *Revenue*); and (ii) increased costs associated with the development of the infrastructure needed to accelerate the growth of its seafood based initiatives.

Adjusted EBITDA

(in thousands of dollars except percentages)	13 weeks ended Mar 30, 2013	%	13 weeks ended Mar 31, 2012	%
Adjusted EBITDA by segment:				
Retail	9,828	7.1%	9,579	7.2%
Foodservice	4,496	4.9%	3,464	4.1%
Corporate	(1,566)		(1,440)	
Consolidated	12,758	5.6%	11,603	5.4%

The Company's Adjusted EBITDA for the first quarter of 2013 as compared to the first quarter of 2012 increased by $1.2 million or 10.0% to $12.8 million primarily due to: (i) a significant improvement in the performance of Centennial Foodservice. This was driven by a variety of differentiation based selling initiatives as well as the success of its new fresh burger production facility; (ii) solid organic growth across a number of the Company's businesses; and (iii) the stabilization of the Company's convenience store focused businesses, which include NDSD (see *Restructuring Costs*).

These increases were partially offset by: (i) temporary production inefficiencies at SK Food Group's Reno, NV plant due to a combination of the launch of new sandwich wraps for two large international customers in the fourth quarter of 2012 and the installation of several new pieces of equipment during the first quarter of 2013; and (ii) a decrease in the contribution margins generated by Stuyver's and Deli Chef due to increased overhead costs associated with their respective new plants, both of which were completed in 2012.

Looking forward (see *Forward Looking Statements*) the Company expects its Adjusted EBITDA to be favourably impacted by the following:

(i) The acquisition of Freybe. Starting in the third quarter of 2013, i.e. after the transition of the Company's deli meats plant in Richmond, BC is completed (see *Restructuring Costs*), the Freybe acquisition is expected to result in an increase to the Company's annualized adjusted EBITDA run rate of approximately $6.3 million. This is after adjusting for the lease payment associated with the sale and leaseback of Freybe's plant in Langley, BC;

(ii) An improvement in SK Food Group's margins as its Reno, NV operation is expected to return to normal efficiency levels early in the third quarter of 2013; and

(iii) A steady improvement in Stuyver's and Deli Chef's margins as these businesses leverage the incremental capacity of their new production facilities to generate new sales.

The Company is not, however, at this time providing specific guidance on its projected Adjusted EBITDA for 2013 due to uncertainties associated with timing and impact of the above outlined items as well as the restructuring of NDSD's DSD network.

The Company expects (see *Forward Looking Statements*) both the restructuring of NDSD's DSD network and the reconfiguration of its deli meats production to be substantially completed early in the third quarter of 2013 at which time it will look to resume providing guidance on its projected Adjusted EBITDA.

Interest

The Company's interest and other financing costs for the first quarter of 2013 was relatively consistent with the first quarter of 2012 despite the increase in the Company's funded due to the increase in funded debt being primarily the result of the acquisition of Freybe which occurred at the end of the quarter.

Restructuring Costs

Restructuring costs consist of costs associated with the significant restructuring of one or more of the Company's businesses. During the first quarter of 2013 the Company incurred $1.3 million in restructuring costs consisting of:

- $0.9 million in costs relating to the restructuring and rationalization of NDSD's DSD network for the convenience store channel (see *Revenue*). Looking forward (see *Forward Looking Statements*), the Company expects this restructuring to be substantially completed early in the third quarter of 2013 and is maintaining its guidance of $3.1 million in NDSD related restructuring costs in 2013.

- $0.2 million in non-recurring costs relating to Centennial Foodservice's seafood initiatives, which include the startup of its new seafood processing facility in Richmond, BC and the integration of the businesses acquired from Harbour Marine. This initiative was effectively completed in the first quarter of 2013.

- $0.1 million in restructuring costs relating to the transitioning of production from the Company's Richmond, BC deli meats processing plant, which is scheduled to be shut down in July 2013, to some of its other deli meats processing plants including Freybe's Langley, BC facility. Looking forward (see *Forward Looking Statements*), the Company anticipates that this initiative will be completed early in the third quarter of 2013 and will result in approximately $2.4 million in restructuring costs in 2013.

- $0.1 million in restructuring costs associated with a variety of initiatives including moving the Company's head office to a new location in Richmond, BC.

FREE CASH FLOW

(in thousands of dollars)	52 weeks ended Dec 29, 2012	13 weeks ended Mar 31, 2012	13 weeks ended Mar 30, 2013	Rolling Four Quarters
Cash flow from operating activities	49,849	9,246	(5,193)	35,410
Changes in non-cash working capital	(6,050)	(2,665)	12,443	9,058
Acquisition transaction costs	197	48	33	182
Restructuring costs	5,705	739	1,297	6,263
Capital maintenance expenditures	(2,917)	(752)	(935)	(3,100)
Free cash flow	46,784	6,616	7,645	47,813

FORWARD LOOKING STATEMENTS

This discussion and analysis contains forward looking statements with respect to the Company, including its business operations, strategy and financial performance and condition. These statements generally can be identified by the use of forward looking words such as "may", "could", "should", "would", "will", "expect", "intend", "plan", "estimate", "project", "anticipate", "believe" or "continue", or the negative thereof or similar variations.

Although management believes that the expectations reflected in such forward looking statements are reasonable and represent the Company's internal expectations and belief as of May 8, 2013, such statements involve unknown risks and uncertainties beyond the Company's control which may cause its actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements.

Factors that could cause actual results to differ materially from the Company's expectations include, among other things: (i) seasonal and/or weather related fluctuations in the Company's sales; (ii) changes in consumer discretionary spending resulting from changes in economic conditions and/or general consumer confidence levels; (iii) changes in the cost of raw materials used in the production of

the Company's products; (iv) changes in the cost of products sourced from third party manufacturers and sold through the Company's proprietary distribution networks; (v) risks associated with the Company's conversion from a publicly traded income trust to a publicly traded corporation, including related changes in Canada's income tax laws; (vi) changes in the Company's relationships with its larger customers; (vii) potential liabilities and expenses resulting from defects in the Company's products; (viii) changes in consumer food product preferences; (ix) competition from other food manufacturers and distributors; (x) execution risk associated with the Company's growth initiatives; (xi) risks associated with the Company's business acquisition strategies; and (xii) new government regulations affecting the Company's business and operations. Details on these risk factors as well as other factors can be found in the Company's 2012 MD&A, which is filed electronically through SEDAR and is available online at www.sedar.com.

Unless otherwise indicated, the forward looking information in this document is made as of May 8, 2013 and, except as required by applicable law, will not be publicly updated or revised. This cautionary statement expressly qualifies the forward looking information in this document.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(Unaudited and in thousands of dollars)

	March 30, 2013	December 29, 2012	March 31, 2012	January 1, 2012
Current assets:				
Cash and cash equivalents	3,806	3,758	3,786	4,486
Accounts receivable	83,208	80,180	71,760	78,343
Other assets	293	193	103	103
Inventories	99,403	79,456	91,171	78,831
Prepaid expenses	8,227	6,631	5,967	13,340
	194,937	170,218	172,787	175,103
Capital assets	203,799	166,447	166,356	158,801
Intangible assets	78,012	71,994	75,628	77,087
Goodwill	167,725	154,451	154,577	150,417
Other assets	4,743	4,866	2,733	2,250
Investment in associate	4,199	4,381	5,040	5,001
Deferred income taxes	26,196	32,575	36,582	41,334
	679,611	604,932	613,703	609,993
Current liabilities:				
Cheques outstanding	1,775	1,928	1,900	2,500
Bank indebtedness	18,786	11,179	14,513	18,061
Dividend payable	6,196	6,188	6,001	5,958
Accounts payable and accrued liabilities	84,098	82,281	80,861	79,998
Current portion of long-term debt	24,541	127,195	17,703	17,530
Current portion of provisions	3,595	3,848	2,924	2,924
Other	-	-	300	-
	138,991	232,619	124,202	126,971
Long-term debt	181,588	13,058	172,185	160,915
Convertible unsecured subordinated debentures	133,630	133,842	87,665	89,396
Puttable interest in subsidiaries	15,736	15,649	15,244	15,210
Deferred revenue	1,492	1,443	1,814	1,943
Provisions	4,468	503	8,569	8,360
Pension obligation	1,905	1,873	1,377	1,345
Other	-	-	-	100
	477,810	398,987	411,056	404,240
Equity attributable to shareholders:				
Accumulated earnings	149,112	147,916	134,485	133,370
Accumulated dividends declared	(161,074)	(154,878)	(136,498)	(130,497)
Retained earnings (deficit)	(11,962)	(6,962)	(2,013)	2,873
Share capital	209,546	209,093	200,150	198,057
Equity component of convertible debentures	1,754	1,785	1,916	1,916
Reserves	1,544	448	1,083	1,442
Non-controlling interest	919	1,581	1,511	1,465
	201,801	205,945	202,647	205,753
	679,611	604,932	613,703	609,993

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(Unaudited and in thousands of dollars except per share amounts)

	13 weeks ended March 30, 2013	13 weeks ended March 31, 2012
Revenue	229,181	216,443
Cost of goods sold	184,642	172,644
Gross profit before depreciation and amortization	44,539	43,799
Selling, general and administrative expenses before depreciation and amortization	31,781	32,196
	12,758	11,603
Depreciation of capital assets	3,943	3,306
Amortization of intangible assets	1,088	1,242
Amortization of other assets	1	3
Interest and other financing costs	4,165	4,010
Amortization of financing costs	74	110
Acquisition transaction costs	33	48
Change in value of puttable interest in subsidiaries	200	180
Accretion of provisions	3	209
Unrealized (gain) loss on foreign currency contracts	(100)	300
Unrealized loss (gain) on interest rate swap contracts	100	(500)
Restructuring costs	1,297	739
Equity loss (income) in associate	182	(39)
Earnings before income taxes	1,772	1,995
Provision for income taxes		
Current	358	576
Deferred	248	258
	606	834
Earnings	1,166	1,161
Earnings (loss) for the period attributable to:		
Shareholders	1,196	1,115
Non-controlling interest	(30)	46
	1,166	1,161
Earnings per share		
Basic	0.06	0.06
Diluted	0.06	0.05

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(Unaudited and in thousands of dollars)

	13 weeks ended March 30, 2013	13 weeks ended March 31, 2012
Cash flows from operating activities:		
Earnings	1,166	1,161
Items not involving cash:		
Depreciation of capital assets	3,943	3,306
Amortization of intangible and other assets	1,089	1,245
Amortization of financing costs	74	110
Change in value of puttable interest in subsidiaries	200	180
Gain on disposal of capital assets	(3)	(32)
Accrued interest income	(6)	(7)
Net unrealized gain on foreign currency contracts and interest rate swaps	-	(200)
Equity loss (income) in associate	182	(39)
Deferred revenue	(127)	(129)
Accretion of convertible debentures, long-term debt, and provisions	654	728
Change in value of cash conversion option liability	(170)	-
Deferred income taxes	248	258
	7,250	6,581
Change in non-cash working capital	(12,443)	2,665
	(5,193)	9,246
Cash flows from financing activities:		
Long-term debt – net	46,991	11,415
Bank indebtedness and cheques outstanding	22,405	(4,148)
Dividends paid to shareholders	(6,188)	(5,958)
Purchase of 7.00% Debentures under normal course issuer bid	(178)	-
Other	(38)	-
	62,992	1,309
Cash flows from investing activities:		
Capital asset additions	(3,081)	(11,230)
Business acquisitions	(54,347)	-
Payments to shareholders of non-wholly owned subsidiaries	(114)	(146)
Payment of provisions	(253)	-
Collection of share purchase loans and notes receivable	18	69
Net proceeds from sales of assets	3	88
	(57,774)	(11,219)
Increase (decrease) in cash and cash equivalents	25	(664)
Effects of exchange on cash and cash equivalents	23	(36)
Cash and cash equivalents – beginning of period	3,758	4,486
Cash and cash equivalents – end of period	3,806	3,786
Interest and other financing costs paid	1,458	1,968
Net income taxes paid	209	195