

PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES ACQUISITION OF PILLER'S AND CREATION OF A NATIONAL DELI PLATFORM

VANCOUVER, B.C., August 4, 2011. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today that it has signed a definitive agreement to purchase substantially all of the assets and operating divisions ("Piller's") of Waterloo, Ontario based Piller Sausages & Delicatessens Limited.

Piller's is one of Canada's leading manufacturers of specialty European deli meats with annual sales of approximately \$180 million and over 600 employees. It is currently owned and operated by the Huber family who founded it in 1957.

The purchase is expected to close later this month and is subject to customary closing conditions as well as obtaining clearance for the transaction from the Canadian Competition Bureau.

"This transaction will create a national deli meats platform that will feature two of Canada's most respected deli brands: Grimm's in the west and Piller's in the east," said Mr. George Paleologou, President and CEO of Premium Brands. "Piller's will be our third major investment in Ontario in the last twelve months and will provide us with state-of-the-art production capabilities, industry leading product research and development expertise and a proven management team that has been able to generate consistent profitable growth for many years.

"We are also very pleased to be welcoming the Huber family to Premium Brands. We have known and respected them for many years and are looking forward to working with them. Their talents will greatly strengthen our management group," stated Mr. Paleologou.

"We are very excited to be joining the Premium Brands group. Its entrepreneurial culture and focus on quality are a perfect fit for Piller's," said Mr. Willy Huber Jr., CEO of Piller's. "Furthermore, I have no doubt that the combination of our businesses will result in a number of exciting top and bottom line growth opportunities," added Mr. Huber.

"We are proud of the business we have built over the last 54 years but wanted to find a partner to help take Piller's to the next stage in its development," said Mr. Wilhelm Huber, co-founder of Piller's. "My family and I have no doubts that Premium Brands is the right partner for us."

Financial Details

The purchase price will consist of \$73.7 million in cash and 1,968,750 Premium Brands shares. In addition, it will be increased by up to \$10.0 million if Piller's is able to achieve certain profitability targets over the next two years. This additional consideration, if applicable, would be payable 26 months after the closing of the transaction.

The cash portion of the purchase price will be reduced to the extent that Premium Brands assumes any funded debt and will also be subject to adjustment if Piller's net working capital at closing is above or below a defined normalized level.

Included in the transaction is approximately 24 acres of valuable industrial land that can be used for future expansion of Piller's business.

Premium Brands will fund the transaction through draws on its senior credit facilities. In conjunction with the transaction, Premium Brands negotiated a \$56.0 million increase in the credit available under these facilities.

Piller's currently has an annual EBITDA run rate of approximately \$15.0 million. Within the next two years Premium Brands expects this to exceed \$20.0 million as growth and cost synergies are realized.

The transaction is expected to be immediately accretive to both Premium Brands' earnings per share and free cash flow per share.

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, Washington State and Nevada. The Company services over 26,000 customers and its family of brands and businesses include Grimm's, Harvest, McSweeney's, Bread Garden Express, Hygaard, Hempler's, Quality Fast Foods, Gloria's Best of Fresh, Harlan Fairbanks, Creekside Bakehouse, Centennial Foodservice, B&C Foods, Shahir, Duso's Fine Foods, Maximum Seafood, SK Food Group, OvenPride, Hub City Fisheries, Audrey's, Deli Chef and Hamish & Enzo.

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

www.premiumbrandsholdings.com

Forward Looking Statements

This press release 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 August 4, 2011, 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; and (x) 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 2010 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 August 4, 2011 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.