

PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES ACQUISITION OF FREYBE GOURMET FOODS

VANCOUVER, B.C., March 25, 2013. 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 Freybe Gourmet Foods Ltd.

Freybe is one of western Canada's leading manufacturers of premium gourmet deli meats with annual sales of approximately \$78 million and a state-of-the-art 118,000 square foot production facility located in Langley, BC. It is currently owned and operated by the Freybe family who founded it in 1844.

"This transaction provides us with another leading specialty food company that further enhances the depth and strength of our deli meats business platform," said Mr. George Paleologou, President and CEO. "We will also be adding the Freybe name, which is one of western Canada's oldest and most iconic local brands, to our diverse portfolio of leading specialty food brands. Looking forward, we see significant opportunities to help Freybe grow its business and brand by leveraging both our deli meat platform's sales and marketing infrastructure as well as our proprietary distribution networks in the foodservice and retail channels."

"Freybe's modern production facility has significant unutilized capacity. Correspondingly, it is an ideal solution for replacing the capacity of our deli meats production facility in Richmond, BC, which is scheduled to be shut down later this year," stated Mr. Paleologou. "By transferring a significant portion of the Richmond plant's production to Freybe's nearby Langley facility instead of our production facilities in eastern Canada we will gain significant cost and freight synergies. Furthermore, we intend to use Freybe's unutilized production capacity to support our growth in the U.S. through our Ferndale, Washington based business Hempler Foods Group. Hempler has in recent years been growing at an average compounded rate of almost 17% over the last three years.

"We are also very pleased to welcome Sven Freybe, President and CEO of Freybe, and his management team to Premium Brands. We have known and respected them for many years and are looking forward to working with them. Their talents will further strengthen our management team," added Mr. Paleologou.

"In determining who to partner with, we chose Premium Brands based on their long history of respecting the unique entrepreneurial cultures of the businesses they invest in and their commitment to producing and selling only premium quality products," said Mr. Sven Freybe, President and CEO of Freybe Gourmet Foods. "I have no doubt that Freybe will thrive under the umbrella of Premium Brands."

"Our family is very proud of the business we have built over the last six generations but we recognized that we needed a partner to help Freybe in the next stage of its evolution," said Mr. Henning Freybe, Freybe Gourmet Foods' retiring Chairman. "I know for certain that Premium Brands is that partner."

The purchase is expected to close shortly and is subject only to customary closing conditions. Taluswood Capital Inc. acted as financial advisor to Freybe for this transaction.

Financial Details

The purchase price under the terms of the transaction is \$55.0 million. This amount will be reduced to the extent that Premium Brands assumes any funded debt and is also subject to adjustment if Freybe's net working capital at closing is above or below a defined normalized level. In addition, the purchase price will be increased by up to \$1.25 million per year for each of the next four years if Freybe is able to achieve certain performance targets.

Premium Brands will fund the transaction through draws on its senior credit facilities. In conjunction with the transaction, Premium Brands negotiated a \$15.0 million increase in the credit available under these facilities.

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

Subsequent to the purchase of Freybe, Premium Brands expects (see *Forward Looking Statements*) to complete the sale and leaseback of Freybe's Langley plant. The transaction will be with a limited partnership in which Premium Brands will hold a 35% interest and will result in net cash proceeds of approximately \$22.8 million.

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 The Best of Fresh, Direct Plus, National Direct-to-Store Distribution (NDSD), Harlan Fairbanks, Creekside Bakehouse, Centennial Foodservice, B&C Food Distribution, Shahir, Duso's, Maximum Seafood, SK Food Group, OvenPride, Hub City Fisheries, Audrey's, Deli Chef and Piller's.

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

About Freybe

Freybe is a leading manufacturer and marketer of premium gourmet deli meats and high quality food products and is based in Langley, BC.

www.premiumbrandsholdings.com

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 March 25, 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 March 25, 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.