

PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES ACQUISITION OF SPECIALTY FOODSERVICE DISTRIBUTOR

VANCOUVER, B.C., January 22, 2010. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today the acquisition of Vancouver, BC based South Seas Meats Ltd. ("SSM") for approximately \$2.1 million.

SSM is a leading distributor of specialty meats, including a wide range of Halal and other ethnic foods, to restaurants, hotels and specialty butcher shops in the Greater Vancouver area. Its annual sales are approximately \$10.0 million.

"This transaction is consistent with our strategy of using bolt-on acquisitions to strengthen our differentiated distribution networks and expand our portfolio of specialty food products," said George Paleologou, President and CEO.

"I am also pleased to welcome Mr. Ahsan Razak, the founder and operator of SSM, to our management team. He has done a remarkable job in establishing SSM as a high quality supplier of specialty meats to the ethnic foods segment of Vancouver's foodservice and specialty retail markets. His experience, knowledge and expertise will be very valuable as we continue to execute our ethnic foods initiatives," added Mr. Paleologou.

"Looking forward, we expect to generate significant synergies from this transaction by providing SSM access to our global procurement initiatives, information system technologies and financial resources and by leveraging SSM's ethnic foods expertise to expand the product offerings of our other distribution networks," stated Mr. Paleologou.

The Company expects the SSM transaction to generate approximately \$0.5 million in incremental EBITDA in 2010 with its annualized EBITDA run rate rising to approximately \$0.8 million by the end of the year. Correspondingly, the transaction is projected to be accretive to the Company's 2010 earnings and free cash flow.

The purchase price, which is subject to adjustment if SSM's net working capital position at closing is above or below \$1.3 million, consisted of a \$0.4 million non-interest bearing note due three years after closing, the issuance of 14,618 Premium Brands common shares, the assumption of \$0.4 million in funded debt and cash.

About Premium Brands

Premium Brands owns a broad range of leading branded specialty food businesses with manufacturing and distribution facilities located in British Columbia, Alberta, Saskatchewan, Manitoba and Washington State. In addition, it owns proprietary food distribution and wholesale networks through which it sells both its own products and those of third parties to approximately 25,000 customers. Premium Brands' family of brands includes Grimm's, Harvest, McSweeney's, Bread Garden Express, Hygaard, Hempler's, Quality Fast Foods, Gloria's Best of Fresh, Harlan's, Creekside Bakehouse, Centennial Foodservice and B&C Foods.

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 includes forward looking statements with respect to Premium Brands, 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 Premium Brands’ internal expectations and belief as of January 22, 2010, such statements involve unknown risks and uncertainties beyond Premium Brands’ 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.

Important factors that could cause actual results to differ materially from Premium Brands’ expectations include, among other things: (i) seasonal and/or weather related fluctuations in its 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 for its products; (iv) changes in the cost of products sourced from third party manufacturers and sold through Premium Brands’ proprietary distribution networks; (v) changes in Canadian income tax laws; (vi) changes in consumer preferences for food products; (vii) competition from other food manufacturers and distributors; (viii) new government regulations affecting Premium Brands’ business and operations; (ix) the inability to realize anticipated tax attributes associated with its recent conversion to a corporation; (x) exposure to third party credit/contractual risk and operational risk relating to its recent conversion to a corporation; and (xi) other factors as discussed in Premium Brands Income Fund’s Annual Information Form for 2008 and Premium Brands Holdings Corporation’s Management’s Discussion and Analysis for the third quarter of 2009, both of which are filed electronically through SEDAR and are available online at www.sedar.com. It should be noted that this list of important factors affecting forward looking information may not be exhaustive.

Unless otherwise indicated, the forward looking information in this document is made as of January 22, 2010 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.