PREMIUM BRANDS INCOME FUND ANNOUNCES RECORD FIRST QUARTER SALES AND EARNINGS AS WELL AS TWO SMALL ACQUISITIONS

VANCOUVER, B.C., May 7, 2008. Premium Brands Income Fund (TSX: PBI.UN), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the first quarter of 2008.

HIGHLIGHTS

- The Fund's sales for the quarter increased by $42.0 million or 80.3% to a record $94.3 million.

- EBITDA for the quarter increased to a record $7.0 million from $4.6 million in the first quarter of 2007. Excluding $0.5 million in one time costs associated with the consolidation of the Fund's three B.C. based sandwich manufacturing operations into a single facility and the move of its Edmonton based Centennial operation into a new larger facility, the Fund's EBITDA for the first quarter of 2008 would have been $7.5 million.

- Earnings for the quarter were a record $3.3 million or $0.19 per unit as compared to $2.4 million or $0.14 per unit in the first quarter of 2007.

- Distributable cash for the trailing twelve months ended March 29, 2008 increased to a record $28.0 million or $1.605 per unit from $26.6 million or $1.52 per unit for the trailing twelve months ended December 31, 2007.

- The Fund's payout ratio for the trailing twelve months ended March 29, 2008 decreased to 73.3% from 77.2% for the trailing twelve months ended December 31, 2007.

- Subsequent to the quarter, on April 11, the Fund completed the acquisition of Noble House Distributors for approximately $1.7 million consisting of cash of $1.2 million and a three year note payable for $0.5 million. Noble House is a direct-to-store distributor operating in Northern Alberta with a fleet of seven trucks and is currently a third party distributor for the Fund's Direct Plus direct-to-store distribution network. Noble House is expected to generate approximately $3.0 million in incremental sales over the next twelve months.

- Also subsequent to the quarter, on May 2, the Fund completed the acquisition of the B.C. operations of Mrs. Willman's Baking for approximately $1.3 million consisting of cash of $1.0 million plus a five year note payable for $0.3 million. In addition, the Fund will pay a 2.5% royalty, to a maximum of $0.7 million, on sales of Mrs. Willman's products to certain defined customers over the next ten years. This transaction is expected to generate approximately $2.5 million in incremental sales over the next twelve months and will provide the Fund with much needed incremental production capacity for its fresh convenience foods initiatives.

SUMMARY

(In thousands of dollars except per unit amounts)		13 weeks ended	
		Mar 29,	**Mar 31,**
	2008	**2007**	
Sales		94,349	52,343
EBITDA		7,041	4,597
Earnings		3,273	2,373
Earnings per unit		0.19	0.14

	Trailing 12 months ended		
	Mar 29, 2008	**Dec 31, 2007**	**Mar 31, 2007**
Distributable cash	27,989	26,557	19,124
Distributable cash per unit	1.605	1.522	1.187
Declared cash distributions	20,514	20,514	19,076
Declared cash distributions per unit	1.176	1.176	1.176
Payout ratio	73.3%	77.2%	99.5%

"Our results for the quarter represent the twelfth of the last thirteen quarters that we have achieved record sales and operating earnings with the one quarter exception being due solely to unusually difficult weather conditions across western Canada in the fourth quarter of 2006," said Mr. Paleologou, President. "In addition, since our conversion to an income trust in July 2005 we have grown our trailing twelve months distributable cash per unit by over 36% percent to $1.605 per unit from $1.176 per unit, and have distributed over $53 million to our unitholders.

"We are particularly pleased that these accomplishments were achieved during some of the most challenging conditions faced by food companies in recent years. Sharply rising commodity input costs, changing consumer and regulatory demands, tight labour markets in Western Canada and record energy prices have significantly impacted the bottom lines of most North American food companies. We have, however, been able to continue to meet our growth and profitability objectives in this environment due to our unique business strategies which focus on:

- *The development of branded specialty food businesses that have a leading position in a niche market segment; and*

- *Investing in differentiated food distribution networks that complement our specialty food businesses and diversify our customer base.*

"Looking forward, we still see opportunities to continue building on the momentum we have generated over the last several years."

"In terms of our recent acquisitions, both Noble House and Mrs. Willman's are straight forward bolt on acquisitions that complement our existing businesses. The Noble House purchase further strengthens our Direct Plus retail distribution network while the Mrs. Willman's transaction expands our line of specialty baked goods and provides us with much needed incremental production capacity for our fresh convenience foods initiatives," stated Mr. Paleologou.

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, the Fund 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. The Fund's family of brands include Grimm's, Harvest, McSweeney's, Bread

Garden, Hygaard, Hempler's, Quality Fresh Foods, Gloria's Fresh, Harlan's and Centennial Foodservice.

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

www.premiumbrandsincomefund.com

Premium Brands Income Fund

CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands)

	Mar 29, 2008	Dec 31, 2007	Mar 31, 2007
Current assets:			
Cash and cash equivalents	$ 822	$ 1,116	$ 1,221
Accounts receivable	29,749	30,870	19,764
Current portion of other assets	519	897	730
Inventories	43,685	39,533	23,794
Prepaid expenses	2,281	1,855	1,724
Future income taxes	74	70	304
	77,130	74,341	47,537
Future income taxes	-	-	549
Capital assets	62,041	59,931	52,607
Goodwill	107,789	107,716	65,020
Intangible assets	40,987	41,384	8,208
Other assets	2,359	2,282	3,570
	$ 290,306	$ 285,654	$ 177,491
Current liabilities:			
Cheques outstanding	$ 2,507	$ 695	$ 971
Bank indebtedness	9,630	9,703	5,632
Distributions payable	1,710	1,710	1,710
Accounts payable and accrued liabilities	40,640	35,914	24,218
Current portion of long-term debt	153	148	177
	54,640	48,170	32,708
Puttable interest in subsidiaries	3,624	3,575	400
Future income taxes	566	423	-
Long-term debt	97,189	96,914	11,588
	156,019	149,082	44,696
Non-controlling interest	1,210	1,158	2,485
Unitholders' equity:			
Unitholders' capital	154,382	154,382	154,382
Accumulated earnings	35,770	32,647	9,532
Accumulated distributions declared	(51,588)	(46,459)	(31,074)
Accumulated other comprehensive loss	(5,487)	(5,156)	(2,530)
	133,077	135,414	130,310
	$ 290,306	$ 285,654	$ 177,491

Premium Brands Income Fund

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands except per unit amounts)

		13 weeks ended Mar 29, 2008		13 weeks ended Mar 31, 2007
Revenue	$	94,349	$	52,343
Cost of goods sold		69,319		35,629
Gross profit		25,030		16,714
Selling, general and administrative expenses		17,989		12,117
		7,041		4,597
Depreciation of capital assets		1,747		1,449
Interest and other financing costs		1,868		437
Amortization of intangible and other assets		528		251
Amortization of financing costs		46		-
Amortization of puttable interest in subsidiaries		50		-
Unrealized gain on foreign currency contracts		(675)		-
Earnings before income taxes and non-controlling interest		3,477		2,460
Provision for (recovery of) future income taxes		152		(25)
Earnings before non-controlling interest		3,325		2,485
Non-controlling interest - net of income taxes		52		112
Earnings for the period	$	3,273	$	2,373
Earnings per unit				
Basic and diluted	$	0.19	$	0.14
Weighted average units outstanding		17,444		17,444

Premium Brands Income Fund

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	13 weeks ended Mar 29, 2008	13 weeks ended Mar 31, 2007
Cash flows from operating activities:		
Earnings before non-controlling interest	$ 3,325	$ 2,485
Items not involving cash:		
Depreciation of capital assets	1,747	1,449
Amortization of intangible assets	490	174
Amortization of other assets	38	77
Amortization of financing costs	46	-
Amortization of puttable interest in subsidiaries	50	-
Loss on sale of assets	3	-
Restricted Trust Unit Plan accrual	82	-
Accrued interest income	(12)	(42)
Unrealized gain on foreign currency contracts	(675)	-
Future income taxes	152	(25)
	5,246	4,118
Change in non-cash working capital	1,061	714
	6,307	4,832
Cash flows from financing activities:		
Long-term debt - net	(13)	(3)
Bank indebtedness and cheques outstanding	1,739	423
Distributions paid to unitholders	(5,129)	(5,129)
	(3,403)	(4,709)
Cash flows from investing activities:		
Collection of notes receivable	425	77
Net proceeds from sale of assets	3	-
Capital asset additions	(3,652)	(1,027)
Repayment of unit purchase loan plan loan	26	24
Other	-	84
	(3,198)	(842)
Decrease in cash and cash equivalents	(294)	(719)
Cash and cash equivalents - beginning of period	1,116	1,940
Cash and cash equivalents - end of period	$ 822	$ 1,221
Interest and other financing costs paid	$ 1,918	$ 392
Net income taxes paid	$ -	$ -

RESULTS OF OPERATIONS

The Fund's revenue for the first quarter of 2008 increased by 80.3% or $42.0 million to $94.3 million as compared to $52.3 million in the first quarter of 2007. Acquisitions made in the last half of 2007 accounted for $40.5 million of the increase and organic growth at a rate of 2.9% for the balance.

The Fund's organic growth of 2.9% was driven primarily by product price increases as overall volume remained relatively flat due to reduced consumer travelling and outdoor activities, and hence reduced demand for many of the Fund's products, resulting from unseasonably cold weather conditions across Western Canada for a majority of the quarter.

Gross profit as a percentage of sales ("gross profit margin") for the quarter decreased to 26.5% from 31.9% in the first quarter of 2007 due solely to the acquisition of Centennial Foodservice in July 2007 as Centennial has historically generated a gross profit margin of 16.5% to 17.0% as compared to an average of 30% to 33% for the Fund's remaining businesses. Excluding the impact of businesses acquired in the last half of 2007, the Fund's first quarter 2008 gross profit margin for its remaining or legacy businesses improved to 32.7% from 31.9% in the first quarter of 2007.

The Fund was able to improve the gross profit margins of its legacy businesses, despite an environment of rising commodity input costs, primarily due to a combination of selling price increases and its core product diversification strategies which resulted in cost increases for certain commodity inputs such as flour and power, being partially offset by lower costs for other commodities including certain cuts of pork and beef.

The Fund's gross profit for the quarter was also impacted by approximately $0.3 million in one time costs associated with the consolidation of the Fund's three B.C. based sandwich operations into its Vancouver B.C. based Creekside Custom Foods facility. This initiative is the first step of a two step project which will ultimately result in Creekside's operations being consolidated into a larger more modern production facility that the Fund will lease as part of the Mrs. Willman's acquisition (see *Subsequent Events* below for details). The project is expected to generate annualized cost savings of approximately $0.4 million and, more importantly, will provide the Fund with much needed production capacity for its fresh convenience foods product line. The anticipated project completion date is early in the third quarter of 2008.

As a percentage of sales, selling, general and administrative expenses ("SG&A") for the first quarter of 2008 decreased to 19.1% from 23.1% in the first quarter of 2007 due solely to the Centennial acquisition. Excluding acquisitions made in the last half of 2007, SG&A, as a percentage of sales for the Fund's legacy businesses increased to 24.0% from 23.1% in the first quarter of 2007 due to a variety of factors including higher fuel and freight costs and increased employee related costs.

The Fund's total SG&A was also impacted by approximately $0.2 million in costs associated with moving its Centennial business' Edmonton operation from its previous 19,000 square foot facility into a new 32,000 square foot facility, which will provide it with much needed capacity to continue growing its Northern Alberta business.

The Fund's EBITDA for the quarter increased by $2.4 million or 53.2% to $7.0 million from $4.6 million in the first quarter of 2007. Excluding $0.5 million in one time costs associated with the consolidation of the Fund's three B.C. sandwich operations and the move of its Edmonton Centennial operation into a new larger facility, the Fund's EBITDA would have been $7.5 million representing an increase of $2.9 million or 63.0% from the comparable 2007 quarter.

Depreciation for the quarter increased to $1.7 million from $1.4 million in the first quarter of 2007 due solely to acquisitions made in the last half of 2007.

Interest and other financing costs for the quarter increased to $1.9 million from $0.4 million in the first quarter of 2007 due primarily to acquisitions made in the last half of 2007 being financed by debt.

Amortization of intangibles, other assets and financing costs as a total increased from $0.3 million in the first quarter of 2007 to $0.6 million in the first quarter of 2008 due to the amortization of costs associated with the acquisitions made in the last half of 2007.

The Fund recognized an unrealized gain on foreign currency contracts in the first quarter of 2008 of $0.7 million as a result of the fair market valuation of its U.S. dollar forward purchase contracts. This unrealized gain is a theoretical number representing what the Fund would have gained on March 28, 2008 if it had liquidated its U.S. dollar forward purchase contracts outstanding at that time. The Fund does not, however, intend to terminate these contracts, but rather uses them to stabilize the cost of its U.S. dollar denominated purchases and, in turn, its selling margins.

Net earnings for the quarter increased by $0.9 million or 37.9% to $3.3 million or $0.19 per unit from $2.4 million or $0.14 per unit in the first quarter of 2007.

SUBSEQUENT EVENTS

Subsequent to March 29, 2008 the Fund completed the following two acquisitions:

On April 11, 2008 the Fund completed the acquisition of Noble House Distributors for approximately $1.7 million consisting of cash of $1.2 million and a three year note payable for $0.5 million. Noble House is a direct-to-store distributor operating in Northern Alberta with a fleet of seven trucks and is currently a third party distributor for the Fund's Direct Plus direct-to-store distribution network. Noble House is expected to generate approximately $3.0 million in incremental sales over the next twelve months.

On May 2, 2008 the Fund completed the acquisition of the B.C. operations of Mrs. Willman's Baking for approximately $1.3 million consisting of cash of $1.0 million plus a five year note payable for $0.3 million. In addition, the Fund will pay a 2.5% royalty, to a maximum of $0.7 million, on sales of Mrs. Willman's products to certain defined customers over the next ten years. Mrs. Willman's is expected to generate approximately $2.5 million in incremental sales over the next twelve months.

The Fund views both of these transactions as straight forward bolt on acquisitions that complement its existing businesses. The Noble House purchase further strengthens its Direct Plus retail distribution network while the Mrs. Willman's transaction expands its line of specialty baked goods and provides it with much needed incremental production capacity for its fresh convenience foods initiative.

SUPPLEMENTAL DISCLOSURE

EBITDA, distributable cash and net funded debt are not terms defined under GAAP. As a result, these terms, as defined by the Fund, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should they be construed as alternatives to other earnings measures determined in accordance with GAAP.

The Fund believes that earnings before interest, taxes, depreciation, amortization and unrealized gains (losses) on foreign currency contracts ("EBITDA") is a useful indicator of the amount of cash generated by the Fund's operating businesses prior to financing and income tax related costs. The following table provides a reconciliation of EBITDA to earnings before non-controlling interest:

(in thousands of dollars)	13 weeks ended Mar 29, 2008	13 weeks ended Mar 31, 2007
Earnings before non-controlling interest	3,325	2,485
Depreciation of capital assets	1,747	1,449
Interest and other financing costs	1,868	437
Amortization of intangible and other assets	528	251
Amortization of financing costs	46	-
Amortization of puttable interest in subsidiaries	50	-
Unrealized gain on foreign currency contracts	(675)	-
Income tax provision (recovery)	152	(25)
EBITDA	7,041	4,597

The Fund believes that distributable cash is a useful indicator of the amount of cash available for distribution to its unitholders. The following table provides a reconciliation of distributable cash to cash flows from continuing operations:

(in thousands of dollars)	Year ended Dec 31, 2007	13 weeks ended Mar 29, 2008	13 weeks ended Mar 31, 2007	Trailing Twelve Months
Cash flows from operations	31,830	6,307	4,832	33,315
Change in non-cash working capital	(3,528)	(1,061)	(714)	(3,885)
Restricted Trust Unit Plan accrual	(82)	(82)	-	(164)
Collection of notes receivable	463	425	77	811
Maintenance capital expenditures	(1,780)	(491)	(519)	(1,752)
Amortization of puttable interest in subsidiaries	(43)	(50)	-	(93)
Non-controlling interest	(407)	(52)	(112)	(347)
Unusual cash income taxes	104	-	-	104
Distributable cash	26,557	4,996	3,564	27,989

The Fund believes that net funded debt is a useful indicator of its financial strength. The following table provides the calculation of net funded debt:

(in thousands of dollars)	Mar 29, 2008	Dec 31, 2007
Cheques outstanding	2,507	695
Bank indebtedness	9,630	9,703
Current portion of long-term debt	153	148
Deferred financing costs	602	641
Long-term debt	97,189	96,914
	110,081	108,101
Less cash and cash equivalents	822	1,116
Net funded debt	109,259	106,985

FORWARD LOOKING STATEMENTS

This discussion and analysis includes forward looking statements with respect to the Fund, 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 Fund’s internal expectations and belief at this time, such statements involve unknown risks and uncertainties which may cause the Fund’s 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 the Fund’s expectations include, among other things: (i) seasonal and/or weather related fluctuations in the Fund's sales; (ii) changes in Canadian income tax laws; (iii) changes in the cost of raw materials used for the Fund's products; (iv) changes in the cost of products sourced from third party manufacturers and sold through the Fund’s proprietary distribution networks; (v) changes in consumer discretionary spending resulting from changes in economic conditions and/or general consumer confidence levels; (vi) changes in consumer preferences for food products; (vii) competition from other food manufacturers and distributors; (viii) new government regulations affecting the Fund's business and operations; and (ix) other factors as discussed in the Fund’s Annual Information Form, which is filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and available online at www.sedar.com.

The Fund disclaims any intention or obligations to revise forward looking statements whether as a result of new information, future developments, or otherwise.