



Premium Brands Holdings Corporation announces the acquisition of C&C, the creation of a national protein distribution and trading platform, and a \$75 million bought deal of 4.65% convertible unsecured subordinated debentures

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

The Acquisition

Premium Brands Holdings Corporation ("Premium Brands" or the "Company") (TSX:PBH), a leading producer, marketer and distributor of branded specialty food products, is pleased to announce it has entered into a definitive agreement to acquire substantially all of the assets and business undertakings of Montreal based C&C Packing Inc. and its affiliate, Premier Meat Packers (2009) Inc. (collectively "C&C"). The aggregate purchase price, subject to certain customary adjustments, will be approximately \$146.0 million, consisting of \$102.0 million in cash, the issuance of 514,579 Premium Brands common shares and consideration of \$20.0 million which is subject to possible reductions if certain post-acquisition earnings targets are not realized.

C&C, with annual sales of approximately \$250 million, is a leading supplier of a variety of fresh and frozen meat products to retailers and foodservice distributors across central and eastern Canada. It was founded in 1974 by Mr. Stanley Cons who, along with his two sons Ronnie and Michael, currently own and operate the business.

"C&C perfectly complements our protein distribution and trading initiatives in western Canada and, with its strong and experienced management team and state-of-the-art facilities, will enable us to create a unique national platform in another niche market segment," said Mr. George Paleologou, Premium Brands' President and CEO. "We are also very pleased to be welcoming the Cons family and their very talented team to Premium Brands. We have known and respected Stanley, Ronnie and Michael for many years and are looking forward to working with them. I have no doubt that their talents will further strengthen our management team.

"This transaction, which will be our third major investment in Quebec, also fits perfectly with the business diversification strategies that form a core part of our business plan and which have enabled us to consistently improve our performance in each of the last ten years despite numerous external challenges. C&C will further diversify our customer base, expand our presence in Quebec and the Maritimes, and add to our product portfolio," said Mr. Paleologou. "Furthermore, we expect the transaction to be immediately accretive to our earnings and cash flows," added Mr. Paleologou.

"We are very excited to be joining Premium Brands. Its entrepreneurial culture and focus on premium and differentiated products is an ideal fit for our business," said Mr. Ronnie Cons, C&C's CEO. "I have no

doubt that there will be significant top and bottom line growth opportunities created through the combination of our businesses," added Mr. Cons.

"Our family is very proud of where our business is today. Our people, culture and operations are second to none," said Mr. Stanley Cons, C&C's Chairman. "I am as excited today about what lies ahead for our business as I was when I founded C&C back in 1974," added Mr. Cons.

"It was very important to us to find a partner that could not only help us elevate our business to the next level but one that also shares our values," said Mr. Michael Cons, C&C's COO. "Our family and I have no doubts that Premium Brands is that partner," added Mr. Cons.

The acquisition is expected to close on or about April 15, 2016, and is subject to customary commercial closing conditions, as well as Competition Act (Canada) approval. Closing of the acquisition is not conditional upon closing of the Offering as hereinafter defined.

The Offering

Premium Brands is also pleased to announce it has entered into an agreement with a syndicate of underwriters co-led by CIBC Capital Markets and BMO Capital Markets (collectively, the "Underwriters"), pursuant to which the Company will issue on a "bought-deal" basis, subject to regulatory approval, \$75,000,000 aggregate principal amount of convertible unsecured subordinated debentures (the "Debentures") at a price of \$1,000 per Debenture (the "Offering"). The Company has also granted the Underwriters an over-allotment option to purchase up to an additional \$11,250,000 aggregate principal amount of Debentures, on the same terms, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments, if any. If the over-allotment option is exercised in full, the total gross proceeds raised under the Offering will be \$86,250,000.

The Debentures will bear interest from the date of issue at 4.65% per annum, payable semi-annually in arrears on April 30 and October 31 each year commencing October 31, 2016. The Debentures will each have a maturity date of April 30, 2021 (the "Maturity Date").

The Debentures will be convertible at the holder's option at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the Company for redemption of the Debentures into common shares at a conversion price of \$85.90 per common share, being a conversion rate of 11.6414 common shares for each \$1,000 principal amount of Debentures.

Closing of the Offering is expected to occur on or about April 12, 2016. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange. Closing of the Offering is not conditional on the closing of the acquisition.

The Debentures will be offered in each of the provinces and territories of Canada by way of a short form prospectus, and by way of private placement in the United States to "qualified institutional buyers" pursuant to Rule 144A or in such a manner as to not require registration under the United States Securities Act of 1933, as amended.

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution and wholesale businesses with operations in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nevada, Ohio and Washington State. The Company services a diverse base of customers located across North America and its family of brands and businesses includes Grimm's, Harvest, McSweeney's, Bread Garden Go, Hygaard, Hempler's, Isernio's, Quality Fast Foods, Direct Plus,

Harlan Fairbanks, Creekside Bakehouse, Stuyver's Bakestudio, Centennial Foodservice, B&C Food Distributors, SJ Fine Foods, Shahir, Wescadia, Duso's, Maximum Seafood, Ocean Miracle Seafood, SK Food Group, OvenPride, Hub City Fisheries, Audrey's, Deli Chef, Piller's and Freybe and Expresco.

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 March 23, 2016, 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) changes in the cost of raw materials used in the production of Premium Brands' products; (ii) seasonal and/or weather related fluctuations in Premium Brands' sales; (iii) reductions in consumer discretionary spending resulting from changes in economic conditions and/or general consumer confidence levels; (iv) changes in the cost of products sourced from third party manufacturers and sold through Premium Brands' proprietary distribution network; (v) changes in Premium Brands' relationship with its larger customers; (vi) access to commodity raw materials; (vii) potential liabilities, losses and expenses resulting from defects in Premium Brands' products and/or product recalls; (viii) changes in consumer food product preferences; (ix) competition from other food manufacturers and distributors; (x) execution risk associated with the Company's growth and business restructuring initiatives; (xi) risks associated with the Company's business acquisition strategies; (xii) changes in the value of the Canadian dollar relative to the U.S. dollar; (xiii) new government regulations affecting the Company's business and operations; (xiv) the Company's ability to raise the capital needed to fund its various growth initiatives; (xv) labour related issues including potential labour disputes with employees represented by labour unions and labour shortages; (xvi) the loss of and/or the inability to attract key personnel; (xvii) fluctuations in the interest rates associated with the Company's funded debt; (xviii) failure or breach of the Company's information systems; (xix) financial exposure resulting from credit extended to the Company's customers; (xx) the malfunction of critical equipment used in the Company's operations; (xxi) livestock health issues; (xxii) international trade issues; and (xxiii) changes in environmental, health and safety standards. Details on these risk factors as well as other factors can be found in the Company's 2015 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 22, 2016 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 press release.

Premium Brands Holdings Corporation
George Paleologou
President and CEO
(604) 656-3100

Premium Brands Holdings Corporation
Will Kalutycz
CFO
(604) 656-3100
www.premiumbrandsholdings.com