

PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES ACQUISITION OF ISERNIO'S

VANCOUVER, B.C., July 7, 2015. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today that it has acquired Isernio's Inc. through its Ferndale, WA based subsidiary, Hempler Foods Group LLC.

Isernio's, which was founded by Mr. Frank Isernio in 1980, is a leading premium fresh sausage brand in the U.S. Pacific Northwest. It operates out of a new 28,000 square foot production facility based in Kent, WA, and has annual sales of approximately US\$14 million.

"We are very honoured to become the new owner of this great company," said Mr. George Paleologou, President and CEO of Premium Brands. "This will bring together two of the U.S. Pacific Northwest's most iconic specialty packaged meat brands: Hempler's and Isernio's. Both are known for great tasting, top quality products made with wholesome ingredients and long histories of involvement with their local communities.

"Isernio's met all of our acquisition criteria including a strong management team, an authentic specialty foods brand and a niche market based business strategy. Furthermore, Isernio's culture of strong family values and its unrelenting dedication to producing the highest quality products make it a perfect fit with Hempler's.

"Looking forward, we are very confident that Isernio's, which has been growing at double digit rates in recent years, will be able to further accelerate its growth by leveraging Premium Brands' sales and marketing infrastructure in the US and our Canadian operations' infrastructure in Canada," added Mr. Paleologou.

"I am very pleased to welcome the Isernio's team to the Hempler's family," said Mr. Stephen Bates, President of Hempler's. "We have known and respected Mr. Isernio and his management team for many years and are very much looking forward to working with them.

"I am also very excited to be adding a second production facility to our group as our compounded growth of more than 20% over the past several years has created ongoing production capacity challenges for us," added Mr. Bates.

"I believe that Premium Brands and Hempler's are the right partners for the business, based on our common cultures, shared values and commitment to producing premium quality products. I am certain that this is the right path for Isernio's and its employees," said Mr. Frank Isernio, President, CEO and founder of Isernio's.

"It gives me great pleasure to know that the loyal and dedicated employees that have made Isernio's success possible will now have the additional resources necessary to allow the company to continue to grow and prosper," added Mr. Isernio.

Financial Details

The purchase price under the terms of the transaction is US\$12.0 million consisting of US\$8.7 million in cash and a US\$3.3 million promissory note bearing interest at 6%, amortized over ten years and callable after five years. The purchase price will be adjusted to the extent that Isernio's net working capital at closing is above or below a defined normalized level.

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, Nevada, Ohio and Washington State. The Company services a diverse base of customers located across North America and its family of brands and businesses include 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, Shahir, Wescadia, Duso's, Maximum Seafood, Ocean Miracle, SK Food Group, OvenPride, Hub City Fisheries, Audrey's, Deli Chef, Piller's and Freybe.

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 July 7, 2015, 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.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: (i) changes in the cost of raw materials used in the production of the Company's products; (ii) seasonal and/or weather related fluctuations in the Company's 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 the Company's proprietary distribution network; (v) risks associated with changes in Canadian income tax laws; (vi) changes in the Company's relationship 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) execution risk associated with the Company's business restructuring initiatives; (xii) risks associated with the Company's business acquisition strategies; (xiii) changes in the value of the Canadian dollar

relative to the U.S. dollar; (xiv) new government regulations affecting the Company's business and operations; (xv) the Company's ability to raise the capital needed to fund its various growth initiatives; (xvi) labour related issues including potential labour disputes with employees represented by labour unions and labour shortages; (xvii) the loss of and/or the inability to attract key personnel; (xviii) fluctuations in interest rates charged on the Company's variable rate debt obligations which have not been hedged with interest rate swaps; (xix) a major disruption, failure, or breach of the Company's information technology systems; (xx) credit risk associated with the Company's major customers; (xxi) plant shutdowns, periods of reduced production, or unexpected interruptions in production capabilities as a result of equipment failures; (xxii) risks related to the health status of livestock which impact both the supply of raw materials to the Company's production facilities as well as consumer confidence in the Company's products; (xxiii) risks associated with international events that affect the price of food commodities or the free flow of food products between countries; (xxiv) changes in environmental, health and safety regulations under which the Company operates; and (xxv) risks associated with potential contamination during food processing. Details on these risk factors as well as other factors can be found in the Company's 2014 MD&A, which is filed electronically through SEDAR and is available online at www.sedar.com.

Unless otherwise indicated, the forward looking statements in this document are made as of July 7, 2015 and, except as required by applicable law, will not be publicly updated or revised. This cautionary statement expressly qualifies the forward looking statements in this press release.