

PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES ACQUISITION OF ISLAND CITY BAKING, CONTE FOODS AND LAROSA FINE FOODS

VANCOUVER, B.C., December 1, 2016. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today that it has acquired Island City Baking and its affiliate Conte Foods.

Island City Baking, which was founded in 1990, is a leading manufacturer of fresh and frozen artisan breads. It operates out of a modern 45,000 square foot production facility located in Richmond, BC and services retail and foodservice customers across southern BC.

Conte Foods, which was founded in 1993, is a distributor of a variety of specialty food products including items imported from various parts of Europe and fresh pasta produced at its new 16,000 square foot facility located in Burnaby, BC. Island City and Conte Foods, on a combined basis, have annual sales of approximately \$20 million.

"We are very pleased to welcome Carmelo De Luca, President of Island City, An Nguyen, Senior VP Operations of Island City and the rest of their team to Premium Brands," said Mr. George Paleologou, President and CEO of Premium Brands. "Both Island City and Conte Foods have built strong reputations for manufacturing great high quality products and providing exceptional service to their customers. Furthermore, the dynamic and entrepreneurial cultures that Carmelo and An have developed at Island City and Conte Foods make these businesses a perfect fit with Premium Brands," added Mr. Paleologou.

In a separate transaction, Premium Brands also announced the acquisition of the business and assets of Larosa Fine Foods, a manufacturer and wholesaler of a variety of specialty Italian products. Larosa, which has annual sales of approximately \$4 million and is currently based in Vancouver, BC, will be moving its operations into Conte Foods' Burnaby facility.

"We are very excited about the opportunities that will result from the merger of Conte Foods and Lasosa," said Mr. Paleologou. "The new combined business, which will be under the leadership of Carmelo De Luca, will position us well in a fast growing, niche segment of the specialty food space. Furthermore, we expect to accelerate its growth by enabling it to leverage Premium Brands' resources including our extensive sales and marketing infrastructure in Canada and the U.S.," added Mr. Paleologou.

"Both An and I are very excited about joining Premium Brands," said Mr. De Luca. "We have followed the company for many years and have no doubt that it is the right partner for Island City and Conte Foods and that it will help us take both businesses to the next level in their development. We also take great comfort in knowing that Premium Brands has a reputation for being a respectful and supportive acquirer and that our employees are in good hands," added Mr. De Luca.

Financial Details

The purchase price for Island City and Conte Foods, which is subject to a closing net working capital adjustment, was \$20.3 million consisting of \$13.3 million in cash, \$3.0 million in Premium Brands common shares and a minority equity stake in the Premium Brands' bakery group.

The purchase price for Larosa was \$0.7 million in cash.

Both transactions are expected to be immediately accretive to both Premium Brands' earnings per share and free cash flow per share on an annual basis.

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, Arizona 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, Piller's, Freybe, Expresco, Belmont Meats, Hempler's, Isernio's, Fletcher's U.S., Direct Plus, Audrey's, SK Food Group, OvenPride, Bread Garden Go, Hygaard, Quality Fast Foods, Deli Chef, Creekside Bakehouse, Stuyver's Bakestudio, Island City Baking, Conte Foods, Larosa Foods, Gourmet Chef, Duso's, Centennial Foodservice, B&C Food Distributors, Shahir, Wescadia, Harlan Fairbanks, Maximum Seafood, Ocean Miracle, Hub City Fisheries, C&C Packing and Premier Meats.

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 December 1, 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.

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) changes in consumer discretionary spending resulting from changes in economic conditions and/or general consumer confidence levels; (iv) changes in the cost of finished products sourced from third party manufacturers; (v) changes in the Company's relationships with its larger customers; (vi) access to commodity raw materials; (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 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 growth initiatives; (xv) labor related issues including potential disputes with employees represented by labor unions and labor shortages; (xvi) the loss and/or inability to attract key senior 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 statements in this document are made as of December 1, 2016 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.