

## **PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES COMPLETION OF \$57,500,000 FINANCING OF 5.75% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES**

**Vancouver, B.C., January 13, 2011.** Premium Brands Holdings Corporation (“Premium Brands” or the “Company”) (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today the successful closing of the issue and sale of \$57,500,000 aggregate principal amount of 5.75% convertible unsecured subordinated debentures (the “Debentures”) at a price of \$1,000 per Debenture (the “Offering”). The Debentures were offered to the public through a syndicate of underwriters which was co-led by National Bank Financial Inc. and Scotia Capital Inc. (the “Underwriters”). The amount of the Offering included \$7,500,000 of Debentures issued pursuant to an over-allotment option that was granted to the Underwriters and exercised at the closing of the Offering.

The Company intends to use the net proceeds from the Offering for reducing indebtedness, future acquisitions, capital expenditures, and general corporate purposes.

The Debentures will bear interest from the date of issue at 5.75% per annum, payable semi-annually in arrears on June 30 and December 31 of each year commencing June 30, 2011 and have a maturity date of December 31, 2015 (the “Maturity Date”). Furthermore, they are 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 \$22.40 per common share (the “Conversion Price”), subject to adjustment as provided in the indenture governing the Debentures. The Conversion Price equates to a conversion rate of 44.6429 common shares for each \$1,000 principal amount of Debentures.

The Debentures will be traded on the Toronto Stock Exchange under the symbol “PBH.DB.A”.

### **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, Washington State and Nevada. The Company services over 25,000 customers and its family of brands and businesses include Grimm’s, Harvest, McSweeney’s, Bread Garden Express, Hygaard, Hempler’s, Quality Fast Foods, Gloria’s Best of Fresh, Harlan Fairbanks, Creekside Bakehouse, Centennial Foodservice, B&C Foods, Duso’s Fine Foods, Maximum Seafood, SK Food Group and Hub City Fisheries.

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

[www.premiumbrandsholdings.com](http://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 13, 2011, 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' Management's Discussion and Analysis for 2009, which is filed electronically through SEDAR and available online at [www.sedar.com](http://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 13, 2011 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.

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