

**PREMIUM BRANDS HOLDINGS CORPORATION
ANNOUNCES RECORD SECOND QUARTER SALES AND EARNINGS
AND DECLARES THIRD QUARTER DIVIDEND**

VANCOUVER, B.C., August 13, 2018. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the second quarter of 2018.

HIGHLIGHTS FOR THE QUARTER

- Record revenue of \$761.5 million representing a 31.9% or \$184.1 million increase as compared to the second quarter of 2017. The Company's organic volume growth rate for the quarter was 6.6%.
- Record adjusted EBITDA of \$74.2 million representing a 34.9% or \$19.2 million increase as compared to the second quarter of 2017.
- Record adjusted earnings of \$1.10 per share representing a 17.0% or \$0.16 per share increase as compared to the second quarter of 2017.
- The Company increased its sales and adjusted EBITDA guidance for 2018.
- Subsequent to the quarter the Company acquired a 62.6% interest in Ontario based chicken processor Yorkshire Valley Farms and the sandwich business of Minnesota based Select Food Products for a total combined purchase price of approximately \$46.2 million.
- Also subsequent to the quarter the Company declared a quarterly dividend of \$0.475 per share.

SUMMARY FINANCIAL INFORMATION

(In millions of dollars except per share amounts and ratios)

	13 weeks ended Jun 30, 2018	13 weeks ended Jul 1, 2017	26 weeks ended Jun 30, 2018	26 weeks ended Jul 1, 2017
Revenue	761.5	577.4	1,346.4	1,055.6
Adjusted EBITDA	74.2	55.0	117.3	93.4
Earnings	30.6	26.7	43.8	42.0
EPS	0.96	0.90	1.40	1.41
Adjusted earnings	35.0	27.9	50.5	43.5
Adjusted EPS	1.10	0.94	1.61	1.46
			Trailing Four Quarters Ended	
			Jun 30, 2018	Dec 30, 2017
Free cash flow			135.2	131.3
Declared dividends			56.1	50.6
Declared dividends per share			1.79	1.68
Payout ratio			41.5%	38.5%

"We continue to make solid progress in building our business platforms into industry leaders by providing our talented management teams with the resources they need to grow and diversify their businesses, both through organic initiatives and acquisitions. In turn this is resulting in continued record top and bottom line growth for Premium Brands as shown by our most recent quarterly results," said Mr. George Paleologou, President and CEO. "In particular, we are very pleased with how the talented management teams of our most recently acquired businesses are already leveraging their new relationships with us and our other partners to generate significant synergies and new growth opportunities. These

entrepreneurs are not only opening up new product segments for us, but are further advancing our lead in many exciting categories such as meat snacks, sandwiches, dry cured meats, cooked protein and seafood.

“We are as excited about the future and about our ability to create long-term sustainable value for our shareholders as we have ever been. Inevitably there will be bumps in the road, but we have no doubts about the path we are on. A great example of how far we have come is that we now visualize many of our platforms becoming billion dollar businesses versus not that long ago when this was our goal for Premium Brands as a whole. Our Sandwich Platform is almost there and we expect several of our other platforms to reach the billion-dollar target within the next five years.

“Our strategy of empowering successful food entrepreneurs to build their businesses into world class entities, without compromising their values and passion for producing great tasting products, is simple but it is at the heart of what is driving our success.

“2018 has been a very busy year for us in terms of acquisitions. So far we have invested over \$541 million in new businesses and we expect the back half of the year to continue to be busy as our pipeline of opportunities remains very robust. As the partner of choice for a growing number of successful food entrepreneurs across North America, the length of our runway is expanding, not contracting,” said Mr. Paleologou. “I am very much looking forward to welcoming more great companies to our unique ecosystem,” added Mr. Paleologou.

THIRD QUARTER 2018 DIVIDEND

The Company’s Board of Directors approved a cash dividend of \$0.475 per share for the third quarter of 2018, which will be payable on October 15, 2018 to shareholders of record at the close of business on September 28, 2018.

Unless indicated otherwise in writing at or before the time the dividend is paid, each dividend paid by the Company in 2018 or a subsequent year is an eligible dividend for the purposes of the Enhanced Dividend Tax Credit System.

ABOUT PREMIUM BRANDS

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations across Canada and the United States. For further information, please contact George Paleologou, President and CEO or Will Kalutycz, CFO at (604) 656-3100.

www.premiumbrandsholdings.com

RESULTS OF OPERATIONS

Revenue

<i>(in millions of dollars except percentages)</i>								
	13 weeks ended Jun 30, 2018	% (1)	13 weeks ended Jul 1, 2017	% (1)	26 weeks ended Jun 30, 2018	% (1)	26 weeks ended Jul 1, 2017	% (1)
Revenue by segment:								
Specialty Foods	522.0	68.5%	347.7	60.2%	900.0	66.8%	632.2	59.9%
Premium Food Distribution	239.5	31.5%	229.7	39.8%	446.4	33.2%	423.4	40.1%
Consolidated	761.5	100.0%	577.4	100.0%	1,346.4	100.0%	1,055.6	100.0%

(1) Expressed as a percentage of consolidated revenue

Specialty Foods' (**SF**) revenue for the second quarter of 2018 as compared to the second quarter of 2017 increased by \$174.3 million or 50.1% primarily due to: (i) business acquisitions, which accounted for \$136.5 million of the increase; (ii) organic volume growth of \$38.0 million, representing a growth rate of 10.9%, which was driven primarily by sandwiches, meat snacks and cooked protein products; and (iii) selling price inflation of \$4.7 million. These increases were partially offset by a \$4.9 million decrease in the translated value of its U.S. based businesses' sales resulting from a stronger Canadian dollar.

For the first two quarters of 2018 as compared to the first two quarters of 2017, SF's revenue increased by \$267.8 million or 42.4% primarily due to the same factors outlined above with business acquisitions accounting for \$196.4 million of the increase and the organic volume growth rate being 11.9%.

Premium Food Distribution's (**PFD**) revenue for the second quarter of 2018 as compared to the second quarter of 2017 increased by \$9.8 million or 4.3% primarily due to business acquisitions, which generated \$10.6 million in growth. PFD's legacy business' sales volumes were relatively flat with selling price deflation resulting in their overall \$0.8 million sales decrease.

PFD's legacy businesses nominal sales growth was primarily due to: (i) disruptions in the supply of various species of fresh fish from the U.S. south coast as a result of poor weather conditions that hampered fishing activities; (ii) weaker than expected sockeye and tuna fisheries on the west coast of North America; and (iii) a general slowdown in foodservice sales in western Canada that impacted a large number of restaurants serviced by PFD's Centennial Foodservice business. These factors were partially offset by solid growth from PFD's retail distribution initiatives in western Canada and Quebec.

For the first two quarters of 2018 as compared to the first two quarters of 2017, PFD's revenue increased by \$23.0 million or 5.4% primarily due to: (i) business acquisitions, which accounted for \$13.4 million of the growth; (ii) organic volume growth of \$7.8 million representing a growth rate of 1.8%; and (iii) selling price inflation of \$1.8 million. In addition to the challenges that impacted PFD's growth in the second quarter of 2018, its growth was also impacted in the first quarter by a \$2.9 million decrease in PFD's trading business' sales, which, in part, are opportunistic in nature and correspondingly can be somewhat volatile.

Gross Profit

<i>(in millions of dollars except percentages)</i>								
	13 weeks ended Jun 30, 2018	% (1)	13 weeks ended Jul 1, 2017	% (1)	26 weeks ended Jun 30, 2018	% (1)	26 weeks ended Jul 1, 2017	% (1)
Gross profit by segment:								
Specialty Foods	121.4	23.3%	78.2	22.5%	198.1	22.0%	139.9	22.1%
Premium Food Distribution	38.0	15.9%	37.2	16.2%	71.5	16.0%	68.1	16.1%
Consolidated	159.4	20.9%	115.4	20.0%	269.6	20.0%	208.0	19.7%

(1) Expressed as a percentage of the corresponding segment's revenue

SF's gross profit as a percentage of its revenue (gross margin) for the second quarter of 2018 as compared to the second quarter of 2017 increased by 80 basis points primarily due to: (i) business acquisitions; and (ii) the reclassification of approximately \$1.5 million of freight costs to selling, general and administrative expense. Excluding these factors, SF's gross margin decreased to 21.3% or by 120 basis points due to a variety of factors including: (i) changes in its sales mix as a major portion of its growth was driven by products that have lower gross margins relative to its average gross margins – correspondingly these products have lower SG&A ratios relative to SF's average SG&A ratios (see *Results of Operations – Selling, General and Administrative Expenses*); (ii) investment in additional plant overhead to help support SF's continued growth; and (iii) albeit to a much lesser extent, rising labor costs in most markets across Canada and the U.S.

SF's gross margin for the first two quarters of 2018 was relatively stable as compared to the first two quarters of 2017 as the factors impacting SF's second quarter results mostly offset one another on a year-to-date basis.

PFD's gross margins for the second quarter of 2018 as compared to the second quarter of 2017 and for the first two quarters of 2018 as compared to the first two quarters of 2017 were relatively stable as margin expansion opportunities resulting from a slightly deflationary environment for certain beef and pork raw material commodities were mostly offset by: (i) short term margin challenges resulting from a run up in the cost of certain species of fresh fish that were in short supply (see *Results of Operations – Revenue*); and (ii) temporarily lower than normal margins on a new line of premium beef products being distributed in the Quebec market.

Selling, General and Administrative Expenses (SG&A)

<i>(in millions of dollars except percentages)</i>								
	13 weeks ended Jun 30, 2018	% (1)	13 weeks ended Jul 1, 2017	% (1)	26 weeks ended Jun 30, 2018	% (1)	26 weeks ended Jul 1, 2017	% (1)
SG&A by segment:								
Specialty Foods	58.3	11.2%	35.3	10.2%	99.5	11.1%	65.9	10.4%
Premium Food Distribution	23.5	9.8%	21.5	9.4%	45.5	10.2%	41.5	9.8%
Corporate	3.4		3.6		7.3		7.2	
Consolidated	85.2	11.2%	60.4	10.5%	152.3	11.3%	114.6	10.9%

(1) Expressed as a percentage of the corresponding segment's revenue

SF's SG&A for the second quarter of 2018 as compared to the second quarter of 2017 and for the first two quarters of 2018 as compared to the first two quarters of 2017 increased by \$23.0 million and \$33.6 million, respectively primarily due to: (i) business acquisitions; (ii) the reclassification of certain freight expenses from cost of sales; (iii) incremental freight costs resulting from a combination of increased freight rates and higher sales volumes; and (iv) investments in additional selling and administration

infrastructure needed to support SF's continued growth. These increases were partially offset by the timing of certain discretionary promotions.

SF's SG&A as a percentage of sales (SG&A ratio) for the second quarter of 2018 as compared to the second quarter of 2017 and for the first two quarters of 2018 as compared to the first two quarters of 2017 increased by 100 basis points and 70 basis points, respectively primarily due to the factors outlined above. These were partially offset by: (i) changes in SF's sales mix as a major portion of its growth was driven by products with lower variable SG&A costs; and (ii) its organic revenue growth in relation to the relatively fixed nature of a variety of its SG&A costs.

PFD's SG&A for the second quarter of 2018 as compared to the second quarter of 2017 and for the first two quarters of 2018 as compared to the first two quarters of 2017 increased by \$2.0 million and \$4.0 million, respectively primarily due to: (i) business acquisitions; (ii) investments in additional fleet and sales infrastructure needed to support future growth; (iii) foreign exchange losses relating to the translation of quarter end liabilities; and (iv) higher freight costs.

PFD's SG&A ratio for the second quarter of 2018 as compared to the second quarter of 2017 and for the first two quarters of 2018 as compared to the first two quarters of 2017 increased by 40 basis points primarily due to the factors outlined above other than business acquisitions which had a minor positive impact on PFD's SG&A ratio.

Adjusted EBITDA

<i>(in millions of dollars except percentages)</i>								
	13 weeks ended Jun 30, 2018	% (1)	13 weeks ended Jul 1, 2017	% (1)	26 weeks ended Jun 30, 2018	% (1)	26 weeks ended Jul 1, 2017	% (1)
Adjusted EBITDA by segment:								
Specialty Foods	63.1	12.1%	42.9	12.3%	98.6	11.0%	74.0	11.7%
Premium Food Distribution	14.5	6.1%	15.7	6.8%	26.0	5.8%	26.6	6.3%
Corporate	(3.4)		(3.6)		(7.3)		(7.2)	
Consolidated	74.2	9.7%	55.0	9.5%	117.3	8.7%	93.4	8.8%

(1) Expressed as a percentage of the corresponding segment's revenue

Adjusted EBITDA for the second quarter of 2018 as compared to the second quarter of 2017 increased by \$19.2 million or 34.9% to \$74.2 million. This result was within the Company's expectations for the quarter, but at the lower end of its targeted range primarily due to the revenue challenges experienced by its PFD segment businesses (see *Results of Operations – Revenue*) and, to a much lesser extent, various inflationary cost pressures across a number of its businesses.

Plant Start-up and Restructuring Costs

Plant start-up and restructuring costs consist of expenses associated with the start-up of new production capacity or the reconfiguration of existing capacity to gain efficiencies and/or additional capacity. The Company expects (see *Forward Looking Statements*) these projects to result in significant improvements in its future earnings and cash flows.

During the first two quarters of 2018, the Company incurred \$1.1 million in plant start-up costs for the following projects:

Bakery Reconfiguration Project The Company incurred \$0.5 million in plant start-up costs associated with the reconfiguration of production between its two legacy artisan bakeries (one in Langley, BC and the other in Delta, BC) and its newest artisan bakery (in Richmond, BC), which it acquired at the end of 2016 as part of the purchase of Island City Baking.

Looking forward (see *Forward Looking Statements*), the Company expects to complete the Bakery Reconfiguration Project in the third quarter of 2018 and is projecting total plant start-up costs for this initiative of approximately \$1.0 million.

GTA Facility Project The Company incurred \$0.6 million in plant-start-up costs associated with the construction of a state-of-the-art distribution and custom cutting facility in the Greater Toronto Area (GTA).

Looking forward (see *Forward Looking Statements*), the Company expects to complete construction of the GTA Facility in the fourth quarter of 2018 and to have the facility operating at normal production efficiencies in early 2019. The projected total plant start-up costs for this initiative is \$2.5 million.

Interest and Other Financing Costs

The Company's interest and other financing costs for the second quarter of 2018 as compared to the second quarter of 2017 and for the first two quarters of 2018 as compared to the first two quarters of 2017 increased by \$6.3 million and \$10.0 million, respectively primarily due to: (i) increases in its net funded debt; and (ii) a higher weighted average interest rate resulting from a combination of rising short term interest rates and increased interest rate premiums associated with the Company's higher senior debt to adjusted EBITDA ratio.

Income Taxes

The Company's expected range (see *Forward Looking Statements*) for its provision for income taxes as a percentage of earnings before income taxes (income tax rate) for 2018 is 25% to 27%. This is based on: (i) an effective income tax rate range within the main tax jurisdictions that it operates in (the Tax Jurisdictions) of 21% to 28%; (ii) the expected allocation of its taxable income among the Tax Jurisdictions; and (iii) the deductibility of certain costs for income tax purposes.

For the first two quarters of 2018, the Company's income tax rate was 26.6%, which is within its expected range but at the higher end primarily due to most of the acquisition costs expensed during the first two quarters of 2018 not being deductible from taxable earnings.

2018 Sales and Adjusted EBITDA Outlook

See *Forward Looking Statements* for a discussion of the risks and assumptions associated with forward looking statements.

Except as noted below, the Company's outlook for its 2018 performance does not include any provisions for possible future acquisitions even though the Company continues to pursue a variety of opportunities and expects to complete several more transactions, in addition to those already announced, in 2018.

Outlook

<i>(in millions of dollars)</i>	Bottom of Range	Top of Range
Revenue:		
Prior guidance	2,980.0	3,060.0
Revised guidance	3,010.0	3,070.0
Adjusted EBITDA:		
Prior guidance	274.0	286.0
Revised guidance	278.0	287.0

The Company increased the targeted range for both its sales and adjusted EBITDA guidance based on the recent acquisitions of Yorkshire Valley Farms and Select Foods. Both businesses are expected to have an immediate positive impact on the Company's sales but only Yorkshire Valley Farms is expected to have a positive impact on its adjusted EBITDA since the costs associated with transitioning Select Foods production to one of the Company's sandwich plants in Minneapolis are expected to largely offset its incremental adjusted EBITDA in 2018.

The Company is maintaining the bottom end of its prior guidance for its remaining businesses, however, it is reducing the top end of the range to reflect the challenges facing its seafood business group and its foodservice business in western Canada (see *Results of Operations – Revenue*). While the impact of these challenges is expected to be temporary, it is unclear as to how long they will continue.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	Jun 30, 2018	Dec 30, 2017	Jul 1, 2017
Current assets:			
Cash and cash equivalents	15.7	15.1	30.1
Accounts receivable	320.8	220.6	201.5
Inventories	329.6	218.1	194.9
Prepaid expenses and other assets	13.3	10.3	9.2
	679.4	464.1	435.7
Capital assets	430.9	319.0	276.5
Intangible assets	349.5	201.2	147.8
Goodwill	611.1	439.1	321.4
Investment in associates	27.9	25.5	9.1
Other assets	20.5	10.6	10.9
	2,119.3	1,459.5	1,201.4
Current liabilities:			
Cheques outstanding	11.1	13.9	10.7
Bank indebtedness	3.4	6.2	3.0
Dividends payable	15.8	13.0	12.6
Accounts payable and accrued liabilities	259.0	179.1	178.8
Current portion of long-term debt	7.9	1.8	2.0
Current portion of provisions	21.6	20.7	20.2
Current portion of puttable interest in subsidiaries	35.2	32.1	6.0
Other current liabilities	0.2	-	-
	354.2	266.8	233.3
Long-term debt	573.6	417.9	195.9
Puttable interest in subsidiaries	4.6	4.6	29.2
Deferred revenue	6.6	6.5	6.7
Provisions	2.0	1.8	1.8
Pension obligation	1.7	2.1	1.5
Deferred income taxes	70.9	47.8	49.4
	1,013.6	747.5	517.8
Convertible unsecured subordinated debentures	358.3	214.3	256.0
Equity attributable to shareholders:			
Retained earnings (deficit)	9.5	(3.7)	(16.4)
Share capital	714.9	482.2	426.4
Reserves	23.0	19.2	17.6
	747.4	497.7	427.6
	2,119.3	1,459.5	1,201.4

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Jun 30, 2018	13 weeks ended Jul 1, 2017	26 weeks ended Jun 30, 2018	26 weeks ended Jul 1, 2017
Revenue	761.5	577.4	1,346.4	1,055.6
Cost of goods sold	602.1	462.0	1,076.8	847.6
Gross profit before depreciation and amortization	159.4	115.4	269.6	208.0
Selling, general and administrative expenses before depreciation and amortization	85.2	60.4	152.3	114.6
	74.2	55.0	117.3	93.4
Plant start-up costs	0.5	1.3	1.1	1.3
	73.7	53.7	116.2	92.1
Depreciation of capital assets	10.8	7.1	19.6	14.3
Amortization of intangible assets	3.6	2.5	6.8	4.9
Interest and other financing costs	11.7	5.4	20.5	10.5
Acquisition transaction costs	3.6	0.2	5.0	0.4
Change in value of puttable interest in subsidiaries	1.7	1.7	3.3	3.2
Accretion of provisions	-	0.2	0.3	0.5
Unrealized loss on foreign currency contracts	0.1	-	-	-
Equity loss in associates	0.4	0.2	1.1	0.3
Other	(0.1)	-	-	-
Earnings before income taxes	41.9	36.4	59.6	58.0
Provision (recovery) for income taxes				
Current	12.6	8.2	17.7	11.7
Deferred	(1.3)	1.5	(1.9)	4.3
	11.3	9.7	15.8	16.0
Earnings	30.6	26.7	43.8	42.0
Earnings per share:				
Basic	0.96	0.90	1.40	1.41
Diluted	0.96	0.89	1.39	1.40
Weighted average shares outstanding (in millions):				
Basic	31.8	29.7	31.3	29.7
Diluted	31.9	29.9	31.4	29.9

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Jun 30, 2018	13 weeks ended Jul 1, 2017	26 weeks ended Jun 30, 2018	26 weeks ended Jul 1, 2017
Cash flows from (used in) operating activities:				
Earnings	30.6	26.7	43.8	42.0
Items not involving cash:				
Depreciation of capital assets	10.8	7.1	19.6	14.3
Amortization of intangible assets	3.6	2.5	6.8	4.9
Change in value of puttable interest in subsidiaries	1.7	1.7	3.3	3.2
Equity loss in associates	0.4	0.2	1.1	0.3
Deferred revenue	-	2.0	0.1	1.9
Non-cash financing costs	2.3	0.7	3.0	1.4
Deferred income taxes (recovery)	(1.3)	1.5	(1.9)	4.3
Other	-	0.1	0.3	0.4
	48.1	42.5	76.1	72.7
Change in non-cash working capital	7.5	(29.6)	(31.4)	(27.8)
	55.6	12.9	44.7	44.9
Cash flows from (used in) financing activities:				
Long-term debt – net	72.7	42.2	124.8	43.6
Bank indebtedness and cheques outstanding	(31.7)	(6.1)	(6.2)	(2.0)
Convertible debentures – net of issuance costs	164.7	-	164.7	-
Share issuance – net of issuance costs	164.9	-	164.9	-
Dividends paid to shareholders	(14.8)	(12.5)	(27.8)	(23.9)
Other	(1.8)	-	(1.8)	-
	354.0	23.6	418.6	17.7
Cash flows from (used in) investing activities:				
Capital asset additions	(15.8)	(23.0)	(28.2)	(37.1)
Business acquisitions	(384.5)	-	(418.0)	(11.8)
Payments to shareholders of non-wholly owned subsidiaries	(1.4)	(1.2)	(1.8)	(1.8)
Payment of provisions	(0.5)	(1.7)	(0.5)	(1.7)
Purchase of shares for employee share loans	(10.0)	-	(10.0)	-
Investment in associates	(1.0)	-	(5.3)	-
Other	0.8	0.2	1.1	0.5
	(412.4)	(25.7)	(462.7)	(51.9)
Change in cash and cash equivalents	(2.8)	10.8	0.6	10.7
Cash and cash equivalents – beginning of period	18.5	19.3	15.1	19.4
Cash and cash equivalents – end of period	15.7	30.1	15.7	30.1
Interest and other financing costs paid	12.0	8.1	17.2	9.3
Income taxes paid	9.0	13.3	17.9	15.9

NON-IFRS FINANCIAL MEASURES

The Company uses certain non-IFRS financial measures including adjusted EBITDA, free cash flow, adjusted earnings and adjusted earnings per share, which are not defined under IFRS and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should they be construed as an alternative to other earnings measures determined in accordance with IFRS. These non-IFRS measures are calculated as follows:

Adjusted EBITDA

<i>(in millions of dollars)</i>	13 weeks ended Jun 30, 2018	13 weeks ended Jul 1, 2017	26 weeks ended Jun 30, 2018	26 weeks ended Jul 1, 2017
Earnings before income taxes	41.9	36.4	59.6	58.0
Plant start-up costs	0.5	1.3	1.1	1.3
Depreciation of capital assets	10.8	7.1	19.6	14.3
Amortization of intangible assets	3.6	2.5	6.8	4.9
Interest and other financing costs	11.7	5.4	20.5	10.5
Acquisition transaction costs	3.6	0.2	5.0	0.4
Change in value of puttable interest in subsidiaries	1.7	1.7	3.3	3.2
Accretion of provisions	-	0.2	0.3	0.5
Unrealized loss on foreign currency contracts	0.1	-	-	-
Equity loss in associates	0.4	0.2	1.1	0.3
Other	(0.1)	-	-	-
Consolidated adjusted EBITDA	74.2	55.0	117.3	93.4

Free Cash Flow

<i>(in millions of dollars)</i>	52 weeks ended Dec 30, 2017	26 weeks ended Jun 30, 2018	26 weeks ended Jul 1, 2017	Rolling Four Quarters
Cash flow from operating activities	85.9	44.7	44.9	85.7
Changes in non-cash working capital	45.9	31.4	27.8	49.5
Acquisition transaction costs	4.2	5.0	0.4	8.8
Plant start-up costs	7.3	1.1	1.3	7.1
Maintenance capital expenditures	(12.0)	(8.1)	(4.2)	(15.9)
Free cash flow	131.3	74.1	70.2	135.2

Adjusted Earnings and Adjusted Earnings per Share

<i>(in millions of dollars except per share amounts)</i>	13 weeks ended Jun 30, 2018	13 weeks ended Jul 1, 2017	26 weeks ended Jul 30, 2018	26 weeks ended Jul 1, 2017
Earnings	30.6	26.7	43.8	42.0
Plant start-up costs	0.5	1.3	1.1	1.3
Acquisition transaction costs	3.6	0.2	5.0	0.4
Accretion of provisions	-	0.2	0.3	0.5
Equity loss from associates in start-up	0.4	-	1.0	-
Unrealized loss on foreign currency contracts	0.1	-	0.1	-
	35.2	28.4	51.3	44.2
Current and deferred income tax effect of above items	(0.2)	(0.5)	(0.8)	(0.7)
Adjusted earnings	35.0	27.9	50.5	43.5
Weighted average shares outstanding	31.8	29.7	31.3	29.7
Adjusted earnings per share	1.10	0.94	1.61	1.46

FORWARD LOOKING STATEMENTS

This press release contains forward looking statements with respect to the Company, including, without limitation, statements regarding its business operations, strategy and financial performance and condition, cash distributions, proposed acquisitions, budgets, projected costs and plans and objectives of or involving the Company. While management believes that the expectations reflected in such forward looking statements are reasonable and represent the Company's internal expectations and belief as of August 10, 2018, there can be no assurance that such expectations will prove to be correct as such forward looking 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.

Assumptions used by the Company to develop forward looking information contained or incorporated by reference in this press release are based on information currently available to it and include those outlined below. Readers are cautioned that this list is not exhaustive.

- The overall economic conditions in Canada and the United States will be relatively stable with modest improvement in the near to medium term.
- The average cost of the basket of food commodities purchased by the Company will be relatively stable with some modest deflationary pressures in the short term.
- The Company's major capital projects, plant start-up and business acquisition initiatives will progress in line with its expectations.
- The Company will be able to continue to access sufficient skilled and unskilled labor at reasonable wage levels.
- The Company will be able to continue to access sufficient goods and services for its manufacturing and distribution operations and, in particular, there will be fewer disruptions in its fresh seafood supply chains.
- The value of the Canadian dollar relative to the U.S. dollar will continue to fluctuate in line with recent levels.
- The Company will be able to achieve continued operating efficiency improvements.
- There will not be any material changes in the competitive environment of the markets in which the Company's various businesses compete.

- There will not be any material changes in the key food trends that are driving growth in many of the Company's businesses. These trends include: (i) growing demand for higher quality foods made with simpler more wholesome ingredients and/or with differentiating attributes such as antibiotic free, no added hormones or use of organic ingredients; (ii) increased reliance on convenience oriented foods both for on-the-go snacking as well as easy home meal preparation; (iii) healthier eating including reduced sugar consumption and increased emphasis on protein; (iv) increased snacking in between and in place of meals; (v) increased interest in understanding the background and stories behind food products being consumed; and (vi) increased social awareness on issues such as sustainability, sourcing products locally, animal welfare and food waste.
- Overall North American weather patterns will be in line with historic patterns. To the extent that unusual and/or extreme weather occurs this can impact the Company in a variety of ways including: (i) changes in consumer demand patterns; (ii) changes in raw material costs; and (iii) raw material shortages.
- There will not be any material changes in the Company's relationships with its larger customers including the loss of a major product listing and/or being forced to give significant product pricing concessions.
- There will not be any material changes in the trade relationship between Canada and the U.S., particularly with respect to certain protein commodities such as beef and pork products.
- The Company will be able to negotiate new collective agreements with no labor disruptions.
- The Company will be able to continue to access reasonably priced debt and equity capital.
- The Company's average interest cost on floating rate debt will remain relatively stable in the near to medium future.
- Contractual counterparties will continue to fulfill their obligations to the Company.
- There will be no material changes to the tax and other regulatory requirements governing the Company.

Unless otherwise indicated, the forward looking information in this document is made as of August 10, 2018 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.