PREMIUM BRANDS HOLDINGS CORPORATION ANNOUNCES RECORD FIRST QUARTER 2017 RESULTS AND DECLARES SECOND QUARTER 2017 DIVIDEND

VANCOUVER, B.C., May 15, 2017. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the first quarter of 2017.

HIGHLIGHTS FOR THE QUARTER

- Record first quarter revenue of $478.2 million representing a 25.5% increase as compared to the first quarter of 2016
- Record first quarter adjusted EBITDA of $38.4 million representing a 53.0% increase as compared to the first quarter of 2016
- Record first quarter earnings and earnings per share of $15.3 million and $0.52 per share, respectively, representing 66.3% and 52.9% increases as compared to the first quarter of 2016
- Record trailing four quarters free cash flow of $130.8 million resulting in a dividend to free cash flow ratio of 35.3%
- Invested $15.3 million in three business acquisitions
- Subsequent to the quarter declared a quarterly dividend of $0.42 per share

SUMMARY FINANCIAL INFORMATION

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

	13 weeks ended Apr 1, 2017	**13 weeks ended Mar 26, 2016**
Revenue	478.2	381.0
Adjusted EBITDA	38.4	25.1
Earnings	15.3	9.2
EPS	0.52	0.34
Adjusted earnings	15.6	9.9
Adjusted EPS	0.53	0.36

	Trailing Four Quarters Ended	
	Apr 1, 2017	**Dec 31, 2016**
Free cash flow	130.8	121.5
Declared dividends	46.2	44.5
Declared dividend per share	1.56	1.52
Payout ratio	35.3%	36.6%

“We are pleased to announce another quarter of solid financial performance,” said Mr. Paleologou, President and CEO. “Our focus on creating long-term sustainable value by partnering with talented entrepreneurial management teams and then providing them with the resources they need to grow and strengthen their businesses continues to result in strong year over year top and bottom line growth.

“Looking forward to the remainder of the year, we are very excited about what lies ahead. In terms of organic growth initiatives, we have two major projects underway, both of which are expected to be completed in the latter half of this year. The largest of these is a 212,000 square foot plant that our

Sandwich Group is building in Phoenix, Arizona. This facility, which will increase our sandwich production capacity to 610,000 square feet, will not only provide our Sandwich Group with much needed capacity, but will also help to diversify their product portfolio and enable them to pursue new channel and customer opportunities.

"Our other major project is the expansion of our very successful, western Canada based Centennial Foodservice protein distribution business model into Ontario. Core to this project is the construction of a state-of-the-art 105,000 square foot combination seafood and protein custom cutting and distribution facility in the Greater Toronto Area. This facility, which will be the first of its kind to service the GTA, will enable us to offer both retail and foodservice customers an unparalleled array of high quality live, fresh and frozen seafood as well as a full selection of top grade traditional proteins sourced from both local and global partners.

"In terms of acquisitions, we continue to enjoy a very robust pipeline of small to large opportunities and fully expect to complete several transactions in 2017. The extent of our deal flow is the direct result of an increasing number of successful food entrepreneurs viewing us as the ideal company to partner with. Our unique culture and acquisition strategies, combined with our ability to develop customized ownership solutions, enable us to help them elevate their business to the next level while addressing their personal objectives.

"We are fast approaching our goal of becoming North America's leading specialty foods company," said Mr. Paleologou.

"For additional information on our major capital projects in Phoenix and Ontario as well as further insight into our acquisitions and general business strategies please see my most recent Letter to Shareholders titled ***Building Growth and Performance Platforms***, which is posted on our website at www.premiumbrandsholdings.com," added Mr. Paleologou.

SECOND QUARTER 2017 DIVIDEND

The Company's Board of Directors approved a cash dividend of $0.42 per share for the second quarter of 2017, which will be payable on July 17, 2017 to shareholders of record at the close of business on June 30, 2017.

Unless indicated otherwise in writing at or before the time the dividend is paid, each dividend paid by the Company in 2017 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 in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, 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, Diana's Seafood, C&C Packing, Premier Meats and Interprovincial Meat Sales.

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

(in millions of dollars except percentages)	13 weeks ended Apr 1, 2017	%	13 weeks ended Mar 26, 2016	%
Revenue by segment:				
Specialty Foods	284.5	59.5%	262.2	68.8%
Premium Food Distribution	193.7	40.5%	118.8	31.2%
Consolidated	478.2	100.0%	381.0	100.0%

Specialty Foods' (**SF**) revenue for the first quarter of 2017 as compared to the first quarter of 2016 increased by $22.3 million or 8.5% primarily due to: (i) business acquisitions, which accounted for $29.1 million of the increase; and (ii) $10.3 million of organic volume growth representing a growth rate of 3.9%. These increases were partially offset by: (i) $6.2 million in selling price reductions relating primarily to products sold on a cost plus basis; (ii) a $5.3 million decrease in the translated value of its U.S. based businesses' sales due to a stronger Canadian dollar; and (iii) the exit by several of its businesses from approximately $5.6 million of lower margin sales in order to allocate their capacities to more sustainable and higher margin opportunities.

Meat snacks, premium processed meats and artisan breads were the primary drivers of SF's 3.9% organic volume growth. Sandwiches, which have historically also been a large driver, were down modestly due to several temporary factors including the timing of customer promotional features and a major new product launch in the first quarter of 2016. Looking forward (see *Forward Looking Statements*) the Company is maintaining its guidance for SF's 2017 organic volume growth to exceed 6% as many of its growth initiatives are planned to take effect in the latter half of the year. These include a variety of new sales and product development projects as well as leveraging its new 212,000 square foot sandwich facility in Phoenix, AZ which is scheduled to commence production early in the third quarter of 2017.

Premium Food Distribution's (**PFD**) revenue for the first quarter of 2017 as compared to the first quarter of 2016 increased by $74.9 million or 63.0% primarily due to: (i) business acquisitions, which accounted for $66.1 million of the increase; (ii) $7.2 million of organic volume growth representing a growth rate of 6.1%; and (iii) $1.6 million in inflation resulting from higher selling prices for certain seafood products that were in tight supply globally partially offset by a deflationary environment for beef products.

The primary drivers of PFD's 6.1% organic volume growth were: (i) the expansion of its western Canada foodservice distribution network into niche elements of the retail channel; and (ii) a variety of seafood based initiatives. Its growth was also helped by some stabilization in the Alberta economy where, for the first time since the fourth quarter of 2014, its sales were not down on a year over year basis. Looking forward (see *Forward Looking Statements*) the Company is now expecting PFD to exceed its long-term targeted range for organic volume growth of 4% to 6%. Previously the Company had expected for PFD's organic volume growth to be within or above its long-term targeted range.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Apr 1, 2017	%	13 weeks ended Mar 26, 2016	%
Gross profit by segment:				
Specialty Foods	61.7	21.7%	48.1	18.3%
Premium Food Distribution	30.9	16.0%	18.5	15.6%
Consolidated	92.6	19.4%	66.6	17.5%

SF's gross profit as a percentage of its revenue (gross margin) for the first quarter of 2017 as compared to the first quarter of 2016 increased by 340 basis points primarily due to: (i) improved operating efficiencies at a number of its plants which were the result of a variety of continuous improvement initiatives, some opportunistic raw material purchases and higher production volumes associated from SF's organic volume growth; and (ii) an improved sales mix resulting from a combination of SF's exit from certain lower margin product sales and its growth coming from higher margin branded products. Partially offsetting these benefits were lower than average gross margins in SF's recently acquired Belmont Meats business which, due to seasonal factors, has very low gross margins in the first quarter of the year. Excluding Belmont Meats, SF's gross margin for the quarter was 22.8%.

PFD's gross margins for the first quarter of 2017 as compared to the first quarter of 2016 increased by 40 basis points primarily due to: (i) improved margins on beef based products resulting from lower raw material costs; (ii) an improved sales mix as growth of seafood sales through PFD's Toronto based foodservice distribution network exceeded wholesale seafood sales lost due to global supply shortages; and (iii) the acquisition of Diana's Seafood which has higher average gross margins as compared to the blend of PFD's legacy businesses. These benefits were partially offset by the acquisitions of C&C Foods and IMS which have lower average gross margins, as compared to the blend of PFD's legacy businesses. Excluding acquisitions, PFD's gross margin for the quarter was 16.6%.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Apr 1, 2017	%	13 weeks ended Mar 26, 2016	%
SG&A by segment:				
Specialty Foods	30.6	10.8%	24.9	9.5%
Premium Food Distribution	20.0	10.3%	14.7	12.4%
Corporate	3.6		1.9	
Consolidated	54.2	11.3%	41.5	10.9%

SF's SG&A as a percentage of sales (SG&A ratio) for the first quarter of 2017 as compared to the first quarter of 2016 increased by 130 basis points primarily due to: (i) increased discretionary marketing costs associated with the promotion of certain proprietary branded products; and (ii) increased accruals for variable employee compensation that is tied to the growth in certain components of the Company's free cash flow. The impact of these items was partially offset by the acquisition of Belmont Meats which has a lower than average SG&A ratio as compared to the blend of SF's legacy businesses. Excluding Belmont Meats, SF's SG&A ratio for the quarter was 11.1%.

PFD's SG&A ratio for the first quarter of 2017 as compared to the first quarter of 2016 decreased by 210 basis points primarily due to: (i) the acquisitions of C&C Foods and IMS, which have lower than average SG&A ratios as compared to the blend of PFD's legacy businesses; and (ii) the fixed nature of a variety of costs relative to its organic revenue growth. Excluding C&C Foods and IMS, PFD's SG&A ratio for the quarter was 12.1%.

Corporate SG&A for the first quarter of 2017 as compared to the first quarter of 2016 increased by $1.7 million primarily due to: (i) increased accruals for variable employee compensation that is tied to growth in the Company's free cash flow; (ii) increased staffing levels to support the Company's acquisition and information technology strategies; and (iii) decreased exchange translation gains on U.S. dollar denominated liabilities.

Adjusted EBITDA

(in millions of dollars except percentages)	13 weeks ended Apr 1, 2017	%	13 weeks ended Mar 26, 2016	%
Adjusted EBITDA by segment:				
Specialty Foods	31.1	10.9%	23.2	8.8%
Premium Food Distribution	10.9	5.6%	3.8	3.2%
Corporate	(3.6)		(1.9)	
Consolidated	38.4	8.0%	25.1	6.6%

The Company's adjusted EBITDA for the first quarter of 2017 as compared to the first quarter of 2016 increased by $13.3 million or 53.0% resulting in a trailing four quarters (TFQ) adjusted EBITDA of $168.1 million. The Company's adjusted EBITDA as a percentage of sales (EBITDA margin) for the TFQ was 8.6% as compared to 8.3% for 2016 and a targeted range for 2017 of 8.5% to 9.0%.

Looking forward (see *Forward Looking Statements*) the Company is maintaining its guidance for its 2017 adjusted EBITDA margin to be in the 8.5% to 9.0% range.

Interest and other financing costs

The Company's interest and other financing costs for the first quarter of 2017 as compared to the first quarter of 2016 increased by $1.7 million primarily due to: (i) higher net funded debt levels; and (ii) a higher blended average cost of debt resulting from convertible debentures making up a larger portion of the Company's total net funded debt.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	April 1, 2017	December 31, 2016	March 26, 2016
Current assets:			
Cash and cash equivalents	19.3	19.4	4.2
Accounts receivable	173.3	180.9	140.7
Inventories	189.0	170.4	143.7
Prepaid expenses	10.0	7.5	6.6
Other assets	0.5	0.5	0.5
	392.1	378.7	295.7
Capital assets	263.3	251.7	225.1
Intangible assets	150.6	149.8	82.1
Goodwill	322.2	320.3	205.2
Investment in associates	9.3	9.5	9.6
Other assets	11.0	11.1	9.8
	1,148.5	1,121.1	827.5
Current liabilities:			
Cheques outstanding	9.4	12.4	4.2
Bank indebtedness	10.2	0.2	5.9
Dividends payable	12.5	11.4	10.8
Accounts payable and accrued liabilities	165.9	155.8	129.2
Current portion of long-term debt	2.4	2.2	1.3
Current portion of provisions	2.1	2.1	1.9
Current portion of puttable interest in subsidiaries	5.8	4.8	-
	208.3	188.9	153.3
Long-term debt	153.5	152.2	183.8
Puttable interest in subsidiaries	28.4	27.4	26.3
Provisions	21.9	20.8	4.2
Deferred revenue	4.2	4.3	4.4
Pension obligation	1.6	1.5	1.5
Deferred income taxes	48.4	44.8	18.9
	466.3	439.9	392.4
Convertible unsecured subordinated debentures	255.4	254.8	99.6
Equity attributable to shareholders:			
Deficit	(30.5)	(33.3)	(59.5)
Share capital	430.4	429.9	367.8
Reserves	26.9	29.3	26.6
Non-controlling interest	-	0.5	0.6
	426.8	426.4	335.5
	1,148.5	1,121.1	827.5

Premium Brands Holdings Corporation

Consolidated Statements of Operations
(in millions of Canadian dollars except per share amounts)

	13 weeks ended April 1, 2017	13 weeks ended March 26, 2016
Revenue	478.2	381.0
Cost of goods sold	385.6	314.4
Gross profit before depreciation and amortization	92.6	66.6
Selling, general and administrative expenses before depreciation and amortization	54.2	41.5
	38.4	25.1
Depreciation of capital assets	7.2	6.7
Amortization of intangible assets	2.4	1.2
Interest and other financing costs	5.1	3.4
Acquisition transaction costs	0.2	0.2
Change in value of puttable interest in subsidiaries	1.5	0.7
Accretion of provisions	0.3	0.1
Unrealized loss on foreign currency contracts	-	0.7
Equity loss (income) in associates	0.1	(0.3)
Earnings before income taxes	21.6	12.4
Provision for income taxes		
Current	3.5	1.1
Deferred	2.8	2.1
	6.3	3.2
Earnings	15.3	9.2
Earnings per share:		
Basic	0.52	0.34
Diluted	0.51	0.34
Weighted average shares outstanding (in millions)		
Basic	29.7	27.2
Diluted	29.9	27.4

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended April 1, 2017	13 weeks ended March 26, 2016
Cash flows from (used in) operating activities:		
Earnings from continuing operations	15.3	9.2
Items not involving cash:		
Depreciation of capital assets	7.2	6.7
Amortization of intangible assets	2.4	1.2
Change in value of puttable interest in subsidiaries	1.5	0.7
Unrealized loss on foreign currency contracts	-	0.7
Equity loss (income) in associates	0.1	(0.3)
Deferred revenue	(0.1)	(0.1)
Non-cash financing costs	0.7	0.4
Accretion of provisions	0.3	0.1
Deferred income taxes	2.8	2.1
	30.2	20.7
Change in non-cash working capital	1.8	12.0
	32.0	32.7
Cash flows from (used in) financing activities:		
Long-term debt – net	1.4	(21.9)
Bank indebtedness and cheques outstanding	4.1	(0.6)
Dividends paid to shareholders	(11.4)	(9.4)
	(5.9)	(31.9)
Cash flows from (used in) investing activities:		
Capital asset additions	(14.1)	(7.5)
Business acquisitions	(11.8)	-
Payments to shareholders of non-wholly owned subsidiaries	(0.6)	(0.4)
Net change in share purchase loans and notes receivable	0.1	0.1
Distribution from associates	0.1	-
Proceeds from disposal of assets	0.1	-
	(26.2)	(7.8)
Decrease in cash and cash equivalents	(0.1)	(7.0)
Effect of exchange on cash and cash equivalents	-	(0.1)
Cash and cash equivalents – beginning of period	19.4	11.3
Cash and cash equivalents – end of period	19.3	4.2
Interest and other financing costs paid	1.2	3.1
Income taxes paid	2.6	0.4

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

(in millions of dollars)	13 weeks ended Apr 1, 2017	13 weeks ended Mar 26, 2016
Earnings before income taxes	21.6	12.4
Depreciation of capital assets	7.2	6.7
Amortization of intangible assets	2.4	1.2
Interest and other financing costs	5.1	3.4
Acquisition transaction costs	0.2	0.2
Change in value of puttable interest in subsidiaries	1.5	0.7
Accretion of provisions	0.3	0.1
Unrealized loss on foreign currency contracts	-	0.7
Equity loss (income) in associates	0.1	(0.3)
Consolidated adjusted EBITDA	38.4	25.1

Free Cash Flow

(in millions of dollars)	53 weeks ended Dec 31, 2016	13 weeks Ended Apr 1, 2017	13 weeks ended Mar 26, 2016	Rolling Four Quarters
Cash flow from operating activities	149.9	32.0	32.7	149.2
Changes in non-cash working capital	(21.4)	(1.8)	(12.0)	(11.2)
Acquisition transaction costs	1.6	0.2	0.2	1.6
Maintenance capital expenditures	(8.6)	(2.2)	(2.0)	(8.8)
Free cash flow	121.5	28.2	18.9	130.8

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Apr 1, 2017	13 weeks ended Mar 26, 2016
Earnings	15.3	9.2
Acquisition transaction costs	0.2	0.2
Accretion of provisions	0.3	0.1
Unrealized loss on foreign currency contracts	-	0.7
	15.8	10.2
Current and deferred income tax effect of above items	(0.2)	(0.3)
Adjusted earnings	15.6	9.9
Weighted average shares outstanding	29.7	27.2
Adjusted earnings per share	0.53	0.36

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 May 15, 2017, 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 2016 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 May 15, 2017 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.