



August 25, 2006

News Release

For Immediate Release

Vantage Foods Establishes New Case-Ready Meat Service Center in North Carolina

25.08.06, Calgary, AB – Today, Vantage Foods Inc. announced the establishment of a new case-ready meat service center in Caldwell County, North Carolina (approximately 70 miles northeast of Charlotte). Alex Lee, Inc., has signed a long-term supply agreement with Vantage Foods to operate a centralized meat-cutting facility that will supply the company's retail banner, Lowes Foods, and its foodservice distribution company, Institution Food House Inc. (IFH), from the new facility.

"We are very pleased with the strategic partnership we have structured with Alex Lee," says Gary Haley, President and CEO Vantage Foods. "We're looking forward to supplying Lowes Foods – a progressive and quality driven retailer. We share Lowes Foods' commitment to exceptional customer service, quality, and food safety."

Leonal Kilgore, President Vantage Foods US, will assume executive responsibility for the North Carolina operation. "The new facility will be state of the art," comments Kilgore. "It will operate with the most current processing technology and a dedicated team of case-ready professionals to ensure production and distribution of fresh meats under superior food safety protocols."

"We're proud to call Caldwell County home to this new centralized meat-cutting service center," he goes on to say. "We want to generate a strong economic spin-off for the County, so wherever possible we will be contracting with local providers during construction, and subsequently recruiting locally for service center employees."

Case-ready meat offers many advantages, including improved quality, freshness, and increased selection for shoppers. Because case-ready meat is processed and packaged at a central USDA-inspected facility, rigorous quality control and food safety standards can be assured.

Lowes Foods has 109 retail outlets in North and South Carolina, and Virginia. The new service center is expected to open in May 2007. Once fully operational, it will employ approximately 200 people.

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www.vantagefoods.net



Backgrounder

What is case-ready processing?

This refers to a process where raw materials in the form of boxed fresh meat primals are converted into finished retail ready products. Case-ready service centers cut, weigh, package, and price in a central facility and then distribute to retail food stores for direct placement into the meat case.

Case-ready processing has been a long established practice in Europe. The process is now experiencing rapid growth in the US and Canada.

What are the advantages for consumers?

Case-ready meat offers consumers extended shelf life for their fresh meat products at home, more variety in the meat case, enhanced quality, consistency, and freshness. Most important, because processing and packaging is done in a central facility that is closely monitored by government inspectors, consumers can be assured of exceptional food safety and quality control standards.

Are other US retailers selling case-ready meats?

Yes. Virtually all US food retailers are selling case-ready meats – either totally or in some portion of their meat cases.

Who is Vantage Foods?

Vantage Foods is a leader in the case-ready processing sector. The company currently has two state of the art service centers in Canada supplying Canada Safeway Ltd. and the Overwaitea Food Group. The newly announced facility in North Carolina will be the company's third dedicated facility.

Vantage Foods established its US operation in 2003. Vantage Foods is a privately held company owned by the Haley family, with participation by senior management. The company currently employs over 400 people.

More...



Who is Alex Lee Inc.?

Alex Lee is a holding company for four southeastern US distribution companies, including: Lowes Food Stores, Inc. (Lowes Foods), a supermarket operator; Institution Food House, Inc. (IFH), a food service distributor; Merchants Distributors, Inc. (MDI), a wholesale food and merchandise distributor; and Consolidation Services, a public warehousing company.

Alex Lee serves its own food stores as well as other independent retail operations, supermarkets, and convenience stores. The company is also a food service provider for restaurants, schools, and other institutions. Its service area consists of Georgia, North and South Carolina, Florida, Tennessee, Virginia, West Virginia, and Kentucky.

Who is Lowes Foods?

Lowes Foods began in 1954 as a single store in Wilkesboro, North Carolina and has since grown into a major supermarket chain with 109 stores in North and South Carolina, and Virginia.

The company has a strong customer service orientation – a reflection of the Alex Lee philosophy that places a high value on treating customers, employees, and suppliers fairly.

Lowes Foods is recognized for its innovative marketing, store design, and customer relations.

Who Is MDI?

Merchants Distributors, Inc., (MDI) is a privately owned wholesale grocery store distributor headquartered in Hickory, NC. MDI supplies over 600 retail food stores with food and non-food items in NC, SC, GA, TN, VA, WV and KY.

Who Is IFH?

Founded in 1966, IFH is one of the 13 largest food service distributors in the country. Its 6,000 customers include fine-dining, casual and quick-serve restaurants, hotels, schools and health care providers. IFH emphasizes superior customer service and many value-added services in addition to traditional delivery services. Its corporate chefs and registered dietitians develop customer-specific menus and assist customers with meal planning.

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