



LEADINGBRANDS™

NEWS RELEASE

FOR IMMEDIATE RELEASE

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LEADING BRANDS, INC. ANNOUNCES RECORD FIRST QUARTER NET INCOME \$0.09Cdn Per Share

VANCOUVER, CANADA, July 17, 2001. LEADING BRANDS, INC. (NASDAQ:LBIX), Canada's largest independent, fully integrated brand management company is pleased to announce record revenues and profits for its fiscal first quarter ended May 31, 2001.

The Company reported net income for the period of \$1,181,000Cdn (\$760,000US) or \$0.09Cdn (\$0.06US) per share, compared to net income of \$807,000Cdn (\$546,000US) or \$0.09Cdn (\$0.06US) per share in the same period of last year. Revenues for the first quarter were \$20,126,000Cdn (\$12,964,000US), versus \$22,099,000Cdn (\$14,939,000US) for the first quarter of 2000. The reduction in revenue for the quarter was a reflection of the transition of the Company's relationship with SoBe from a distributor to a co-packer. The Company's other business remained strong, and indeed grew.

Leading Brands Chairman & CEO Ralph D. McRae said: "We are seeing strong growth in all of the primary areas of our business. We continue to explore profitable areas of business including a recent expansion of our customer base into the US.

Our Quick, Inc. subsidiary continues to flourish. Where others have failed to produce positive operating results, we have succeeded. Very early in the development of that business we have achieved positive contribution from operations. Our immediate goal is to focus on taking that entire unit to profitability.

I am very excited about what the next 90 days has in store for us, including the launch of some exciting new products and line extensions."

Correction Note: In its news release dated July 12, 2001 the Company mistakenly understated revenue and net income in US dollars due to the method used for the Canadian/US dollar conversion. US dollar revenue for the Company's 2000 fiscal year ended February 28, 2001 was in fact \$51,087,000US (previously reported at \$49,797,000US) and net income was \$1,216,000US (previously reported at \$1,184,000US). Revenue for the prior year was \$31,170,000US (previously reported at \$29,415,000US) and the net loss in that year was \$644,205US (previously reported as \$607,929US). This did not affect reported earnings per share for the Company's February 28, 2001 year end of \$0.09US, although the loss per share reported for the fiscal year ended February 29, 2000 should have been \$0.11 as opposed to the \$0.10 previously reported.

Leading Brands, Inc. is the largest independent integrated brand management company in Canada. The Company's unique Integrated Distribution System (IDS) offers turnkey, one-stop shopping to food and beverage brand owners. Its subsidiary, Quick, Inc. is building a home replenishment and delivery system for the new economy.

Statements in this news release that are not historical are to be regarded as forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties with respect to the Company's business include general economic conditions, weather conditions, changing beverage consumption trends, pricing, and the availability of raw materials and economic uncertainties, including currency.



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LEADING BRANDS, INC.
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS)

	May 31 2001	May 31 2000
Sales	20,125,929	22,099,178
Expenses (Income)		
Cost of sales, selling, general & administration expenses	18,455,444	20,418,878
Depreciation and amortization	552,303	621,302
Interest expense	246,602	251,775
Other	(308,999)	-
	18,945,350	21,291,955
Net income before taxes	1,180,579	807,223
Income Taxes	-	-
Net income after income taxes	1,180,579	807,223
Deficit, beginning of period	(15,524,240)	(16,910,840)
Dividends	-	(92,764)
Deficit, end of period	(14,343,661)	(16,196,381)
EARNINGS PER SHARE		
Basic	\$0.09	\$0.09
Fully diluted	\$0.07	\$0.06
Weighted average number of shares outstanding	13,659,503	8,351,669



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LEADING BRANDS, INC.
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

EXPRESSED IN UNITED STATES DOLLARS)

	May 31 2001	May 31 2000
Sales	12,963,561	14,938,943
Expenses (Income)		
Cost of sales, selling, general & administration expenses	11,887,564	13,803,068
Depreciation and amortization	355,751	419,997
Interest expense	158,842	170,199
Other	(199,033)	-
	12,203,124	14,393,264
Net income before taxes	760,437	545,679
Income Taxes	-	-
Net income after income taxes	760,437	545,679
Deficit, beginning of period	(10,738,871)	(11,431,650)
Dividends	-	(62,708)
Deficit, end of period	(9,978,434)	(10,948,679)
EARNINGS PER SHARE		
Basic	\$0.06	\$0.06
Fully diluted	\$0.05	\$0.04
Weighted average number of shares outstanding	13,659,503	8,351,669