



PRESS RELEASE

SAPUTO ANNOUNCES A PRELIMINARY AGREEMENT TO ACQUIRE THE THIRD LARGEST DAIRY PROCESSOR IN ARGENTINA

(Montréal, October 2, 2003) – Saputo Inc. announces that it has entered into a preliminary agreement with Molinos Rio de la Plata S.A., a public company from Argentina, to acquire 100% of Molfino Hermanos S.A. (Molfino), the third largest dairy processor in Argentina. This transaction is subject to an agreement being reached by the parties on certain purchase price adjustments before November 30, 2003 and is also subject to other closing conditions. The purchase price would be US\$ 50.8 million and is subject to a final agreement being reached by the parties.

Molfino operates two plants and employs 850 people. The company has sales of approximately US\$ 90 million. National sales represent approximately 60% of total sales, with the remaining 40% done through exports. The company produces a wide variety of soft, semi-soft, hard and grated cheeses as well as butter, cream, milk powder, UHT milk and *dulce de leche* (caramelized milk). Its main brand names are *La Paulina*, *Molfino*, *Ricrem* and *Taluhet*. Molfino counts on a third-party distribution network of more than 200 distributors. Exports sales, mostly comprised of milk powder and cheeses, are conducted in more than 30 countries and account for approximately 40% of the total sales.

By giving the Company the opportunity to establish itself in a market where the raw material is accessible at competitive international prices, this proposed transaction is in line with Saputo's goal of becoming a world-class cheese company. Assuming completion of the transaction, Saputo would have annualized revenues of more than \$3.5 billion, 47 plants and 7,850 employees in three countries (Canada, United States and Argentina).

About Saputo

Every day, in the Company's 45 plants and its distribution centres, Saputo's 7,000 employees proudly manufacture, market and distribute a wide range of products that find their way daily on store shelves, in restaurants and in prepared meals. Active in the dairy and grocery product sectors, the Company markets its products under such brand names as *Saputo*, *Stella*, *Frigo*, *Dragone*, *Armstrong*, *Caron*, *Cayer*, *Treasure Cave*, *Dairyland*, *Baxter*, *Nutrilait* and *Vachon*. A dynamic world-class company, Saputo Inc. is the largest dairy processor in Canada and one of the leading cheese manufacturers in North America. Saputo Inc. is a public company and its shares are listed on the Toronto Stock Exchange under the symbol SAP. Visit www.saputo.com for further information.

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Information

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