

**SAPUTO INC. ANNOUNCES TAKEOVER OFFER FOR AUSTRALIAN DAIRY COMPANY  
WARRNAMBOOL CHEESE AND BUTTER****WARRNAMBOOL BOARD UNANIMOUSLY RECOMMENDS ACCEPTANCE**

(Montreal, October 7, 2013) – Saputo Inc. (TSX: SAP) today announced that it has agreed with Warrnambool Cheese and Butter Factory Company Holdings Limited (“Warrnambool”) to make an all cash takeover offer of AU\$7.00 per share for all the shares in Warrnambool on issue at the end of the offer period (the “Offer”).

The Offer has been unanimously recommended by the Board of Warrnambool and all Warrnambool directors recommend that Warrnambool shareholders accept the Offer, in the absence of a superior proposal. Each Warrnambool director and executive intends to accept the Offer for all of the Warrnambool shares they hold or otherwise control, in the absence of a superior proposal.

Warrnambool (ASX: WCB) is an Australian public company, listed on the Australian Securities Exchange (“ASX”). Warrnambool is one of the largest milk processors in Australia, operating two manufacturing sites in South West Victoria and South Australia and employing over 420 people. Warrnambool produces a range of dairy products for domestic and export markets. Its products include cheese, butter and butter blends, milk, cream and dairy ingredients. For the financial years ended June 30, 2013 and 2012, Warrnambool's consolidated revenues were CA\$477 million<sup>1</sup> and CA\$479 million, respectively, with earnings before interest, tax, depreciation and amortisation (EBITDA) of CA\$25 million and CA\$34 million, respectively. As publicly disclosed by Warrnambool on October 2, 2013, EBITDA for the financial year ending June 30, 2014 is expected to be in the range of CA\$45 million to CA\$50 million<sup>2</sup>.

Based on the current issued share capital of Warrnambool, the purchase price for 100% of the shares of Warrnambool would equal approximately CA\$378 million and will be funded out of Saputo's newly committed bank loan with a three-year term. The enterprise value of Warrnambool implied by the Offer is approximately CA\$450 million, based on CA\$73 million of net debt as of June 30, 2013. Depending upon Saputo reaching specified interest thresholds in Warrnambool, a portion of the offer price of up to AU\$1.31 per share may be payable by Warrnambool through the distribution of special dividends to its shareholders that could deliver additional value estimated by Warrnambool to be up to an additional AU\$0.56 per share to some Warrnambool shareholders, depending upon the individual tax circumstances of each Warrnambool shareholder.

The Offer is subject to a limited number of conditions (including foreign investment approval and a minimum tender condition of greater than 50%). The Offer is expected to close around early December 2013, unless extended or changed as permitted by the Australian *Corporations Act*. There can be no assurance that the Offer will be successful, either in whole or in part. Warrnambool is also the subject of a non-solicited takeover offer launched by an Australian dairy company on September 12, 2013, which offer includes a consideration of cash and shares at an implied offer price of AU\$6.30 per Warrnambool share, calculated on the Australian bidder's share price as at the close of trading on ASX on October 7, 2013.

Rabobank and Rothschild are acting as the financial advisors to Saputo, while Maddocks and Stikeman Elliott LLP are acting as legal counsel. National Bank of Canada and Bank of Montreal are co-lead arrangers for the new bank loan.

**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking statements within the meaning of securities laws. These statements are based, among other things, on Saputo's assumptions, expectations, estimates, objectives, plans and intentions as of the date hereof regarding the Offer, its success, anticipated benefits, the number of shares that Saputo will actually be able to purchase and any change to the Offer price or conditions.

<sup>1</sup> All amounts in Canadian dollars are calculated using an exchange rate of CA\$1 = AU\$1.04.

<sup>2</sup> Sourced from public filings by Warrnambool on the ASX Announcement platform.

Forward-looking statements are based on Management's current estimates, expectations and assumptions, which Management believes are reasonable as of the date hereof, and, accordingly, are subject to changes after such date. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date.

Except as required under applicable securities legislation, Saputo does not undertake to update or revise these forward-looking statements, whether written or verbal, that may be made from time to time by itself or on its behalf, whether as a result of new information, future events or otherwise.

#### **About Saputo**

Saputo produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. Saputo is one of the top ten dairy processors in the world, the largest in Canada, the third largest in Argentina and among the top three cheese producers in the United States. Our products are sold in more than 40 countries under well-known brand names such as *Saputo, Alexis de Portneuf, Armstrong, Baxter, Dairyland, Dragone, DuVillage 1860, Friendship, Frigo Cheese Heads, Great Midwest, King's Choice, Kingsey, La Paulina, Milk2Go, Neilson, Nutrilait, Ricrem, Salemville, Stella* and *Treasure Cave*. Saputo Inc. is a publicly traded company whose shares are listed on the Toronto Stock Exchange under the symbol "SAP".

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#### **Media and Investor Relations**

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