



NEWS RELEASE

For immediate release

SAPUTO ANNOUNCES THE CLOSURE OF ITS PLANT IN GERMANY AND PROPOSES THE CLOSURE OF ITS FACILITY IN THE UNITED KINGDOM

(Montreal, February 25, 2013) – Saputo Inc. (TSX: SAP) (“Saputo” or the “Company”) announces today the closure of its cheese manufacturing plant in Heiden (Germany) and, in conformity with the legislative requirements in the United Kingdom, enters into a 30-day consultation period for the proposed closure of its facility in Newcastle Emlyn, Wales (United Kingdom). The two plants were acquired in 2006 and 2007 respectively. The Germany plant specializes in Italian specialty cheeses for the retail market segment, whereas the United Kingdom facility mainly produces mozzarella for the food service market segment.

Since acquiring the businesses, Saputo has aimed to penetrate the European market and get a better understanding of its realities and dynamics. The past few years have been a learning and challenging experience. Today, the Saputo European business does not have sufficient critical mass to be profitable and the Company does not see short to mid-term opportunities to ensure such profitability. Saputo has therefore decided to close its Germany plant and proposes the closure of its United Kingdom facility, subject to the consultation period, to further concentrate efforts and resources in its current platforms and other markets.

In all, approximately 140 employees will be affected. Where redundancies are confirmed, impacted employees will be provided fair severance and assistance to find reemployment.

In the event the proposed closure in Newcastle Emlyn, Wales is confirmed, the cost associated with both plant closures is expected to be approximately CDN\$15 million after taxes, which is comprised of a write down on fixed assets of approximately CDN\$15 million and cash costs of approximately CDN\$7 million being offset by tax recovery of the same amount from the loss on the investment. If both facilities close, a loss of approximately CDN\$1.5 million in annual earnings before interest, income taxes, depreciation and amortization related to the European business should be avoided.

About Saputo

Saputo produces, markets, and distributes a wide array of products of the utmost quality, including cheese, fluid milk, yogurt, dairy ingredients and snack-cakes. Saputo is the 12th largest dairy processor 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 50 countries under well-known brand names such as *Saputo, Alexis de Portneuf, Armstrong, Baxter, Dairyland, Danscorella, Dragone, DuVillage 1860, Friendship, Frigo Cheese Heads, Great Midwest,*

King's Choice, Kingsey, La Paulina, Neilson, Nutrilait, Ricrem, Salemville, Stella, Treasure Cave, hop & go, Rondeau and Vachon. Saputo Inc. is a publicly traded company whose shares are listed on the Toronto Stock Exchange under the symbol "SAP".

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Information

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