



NEWS RELEASE

For immediate release

SAPUTO INC. COMPLETES THE ACQUISITION OF MORNINGSTAR FOODS, LLC

(Montreal, January 3, 2013) – Saputo Inc. (TSX: SAP) completed today the transaction announced on December 3, 2012 and acquired Morningstar Foods, LLC (“Morningstar”), a subsidiary of Dean Foods Company.

The purchase price of US\$1.45 billion was financed through a combination of US\$250 million in available cash and a new bank loan of US\$1.2 billion.

Morningstar produces a variety of dairy and non-dairy extended shelf-life (“ESL”) products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, as well as cultured products such as sour cream and cottage cheese. These products are manufactured under a wide array of private labels and owned brands, and are sold nationwide through an internal sales force and independent brokers. Morningstar serves the needs of retailers, national quick-serve restaurant chains, grocery stores, mass merchandisers and distributors across the United States. Morningstar has about CDN\$1.6 billion in annual revenues, approximately 2,000 employees and operates 10 manufacturing facilities located in nine states.

The combined business will have approximately 12,000 employees, 57 manufacturing facilities in five countries and combined annual revenues of approximately CDN\$8.6 billion.

The acquisition of Morningstar complements the activities of the Saputo Dairy Products Division (USA). Through this acquisition, Saputo Inc. (“Saputo”) will benefit from Morningstar’s national manufacturing and distribution footprint and will optimize coast-to-coast service. This transaction expands product offering to customers in the United States and broadens the range of Saputo’s future acquisition opportunities.

Rabo Securities USA, Inc. and Rothschild Inc. acted as the financial advisors to Saputo, while Jones Day and Stikeman Elliott LLP acted as legal counsel. National Bank of Canada and Bank of Montreal acted as underwriters, co-lead arrangers and joint bookrunners for the new bank loan. The lending syndicate is composed of the existing lenders to Saputo. National Bank of Canada is also acting as Administrative Agent.

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*, *Frigo Cheese Heads*, *Great Midwest*, *King's Choice*, *Kingsey*, *La Paulina*, *Neilson*, *Nutrilaït*, *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

Kristel Alexandra Salesse
Corporate Communications
514-328-3366 x2992