



NEWS RELEASE
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Partnership with the Solidarity Fund QFL and Fondation CSN

The SAQ consolidates its position in the global wine industry

Montreal, October 4, 2010 – The SAQ's Chief Executive Officer, Philippe Duval, today expressed satisfaction that the government had issued an order in council authorizing the SAQ to acquire shares in a limited partnership able to do business outside of Quebec. The government action paves the way for the SAQ to fully implement its 2010–2012 Strategic Plan, in which the state-owned corporation stated its desire to maintain its strategic positioning in the global wine industry in order to better serve Quebecers.

Mr. Duval also confirmed that the order in council allows the SAQ to combine its expertise with that of the Solidarity Fund QFL and Fondation CSN to ensure the success of its projects. Specifically, the SAQ will hold a 50% share of the limited partnership to be created, while each of the funds will hold 25%.

A realistic business plan

Mr. Duval explained that creating the limited partnership will enable the SAQ to take advantage of business opportunities that arise and give itself the tools it needs to:

- maintain its purchasing power;
- increase its access to products sold on an allocation basis;
- realize economies of scale on its transportation, logistics and distribution costs;
- make Quebec and Montreal a hub of the beverage alcohol trade;
- maintain and create quality jobs in the beverage alcohol trade.

The activities of the limited partnership will focus on the beverage alcohol trade and the delivery of related services to clients in markets outside Quebec. These services will include product selection, analysis, quality control, purchasing, distribution, marketing, merchandising and sales network management.

A realistic business plan estimates that the limited partnership could generate sales of between \$50 million and \$100 million after three or four years in existence.

The SAQ's chief executive mentioned that the corporation has undeniable strengths that are already attracting future business partners. "The SAQ is regularly approached and solicited," Mr. Duval said.

“Its international business network, efficient procurement chain, state-of-the-art laboratory, large sales network and marketing strategies are often held up as an example. Here in Quebec, we’ve developed an integrated expertise that is unique in the world and that today enables us to be a partner in a new company able to offer a full range of services to other retailers and parties.”

Promoting Quebec expertise

The imminent signing of a partnership agreement with the Solidarity Fund QFL and Fondation CSN will provide the limited partnership with the venture and development capital necessary to achieve the business objectives that have been set for it. In addition, the partnership will do much to promote Quebec expertise.

“We are proud once again to join forces with the SAQ, a Quebec icon, as we have done in the past with our shared investment in the Maison des Futailles,” said Yvon Bolduc, President and Chief Executive Officer of the Solidarity Fund QFL. “This new project will make profitable use of our patient capital and the expertise of our investment teams. Strengthening the SAQ’s position outside Quebec will result in positive economic spinoffs for all Quebecers.”

“We see this project as a sign of trust by the government toward labour-sponsored investment funds and as recognition of their expertise in development capital. Fondation will work enthusiastically with the SAQ, a government corporation that is both a source of pride for Quebecers and a leader in sustainable development,” said Léopold Beaulieu, President and Chief Executive Officer of Fondation CSN.

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Sources:

Isabelle Merizzi
Manager, Public Affairs
Société des alcools du Québec
514 254-6000, ext. 6574

Suzanne La Ferrière
Head of Communications
Fondation CSN
514 525-7041

Josée Lagacé
Senior Advisor, Press Relations
and Communications
Solidarity Fund QFL
514 850-4835