

MATERIAL CHANGE REPORT

PURSUANT TO

Section 85(1) of the *Securities Act* (British Columbia)
Section 146(1) of the *Securities Act* (Alberta)
Section 84(1) of *The Securities Act, 1988* (Saskatchewan)
Section 75(2) of the *Securities Act* (Ontario)
Section 81(2) of the *Securities Act* (Nova Scotia)
Section 76(2) of *The Securities Act, 1990* (Newfoundland and Labrador)

1. REPORTING ISSUER

CoolBrands International Inc. ("CoolBrands")
8300 Woodbine Avenue
5th Floor
Markham, Ontario
L3R 9Y7

2. DATE OF MATERIAL CHANGE

July 7, 2003

3. PRESS RELEASE

A press release disclosing the material change was issued by CoolBrands on July 7, 2003. A copy of the press release is attached hereto as Appendix "A".

4. SUMMARY OF MATERIAL CHANGE

On July 7, 2003 CoolBrands announced that Integrated Brands, Inc., its wholly owned subsidiary, has completed the purchase of the Dreamery® and Whole Fruit™ Sorbet brands from Dreyer's Grand Ice Cream, Inc. ("Dreyer's"), as well as the right to the license for the Godiva® ice cream brand, which was assigned by Dreyer's, and that Eskimo Pie Frozen Distribution, Inc., a newly formed wholly owned subsidiary of CoolBrands, has completed the purchase from Nestlé of most of the Haagen-Dazs frozen dessert distribution assets in the U.S.

5. FULL DESCRIPTION OF MATERIAL CHANGE

On July 7, 2003 CoolBrands announced that Integrated Brands, Inc., its wholly owned subsidiary, has completed the purchase of the Dreamery® and Whole Fruit™ Sorbet brands from Dreyer's Grand Ice Cream, Inc. ("Dreyer's"), as well as the right to the license for the Godiva® ice cream brand, which was assigned by Dreyer's, and that Eskimo Pie Frozen Distribution, Inc., a newly formed wholly owned subsidiary of CoolBrands, has completed the purchase from Nestlé of most of the Haagen-Dazs frozen dessert distribution assets in the U.S.

CoolBrands paid approximately Cdn.\$13.5 million in cash to acquire the brands, including inventories, and distribution assets in the States of Washington, Oregon,

Florida, California, Pennsylvania, New Jersey, Utah, Minnesota, Georgia, Maryland, and the District of Columbia.

CoolBrands now operates its distribution system in the configuration and with the product mix in place prior to the closing, consisting in large part of Haagen-Dazs and other Nestlé brand products. CoolBrands anticipates that it may require up to 12 months after the closing to complete the integration by CoolBrands of the Dreamery®, Godiva® and Whole Fruit™ sorbet business into its new distribution system. CoolBrands will continue to distribute certain product lines for Dreyer's pursuant to the transaction agreements.

6. **RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT**

Not applicable.

7. **OMITTED INFORMATION**

None.

8. **SENIOR OFFICER**

Further information regarding the matters described in this report may be obtained from Michael Serruya of CoolBrands, who is knowledgeable about the details of the material change and may be contacted at (905) 479-8762.

9. **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

DATED at Markham, Ontario this 16th day of July, 2003.

COOLBRANDS INTERNATIONAL INC.

By: (Signed) "Michael Serruya"
Michael Serruya
Co-Chairman of the Board of Directors

Appendix "A"

**NEWS FROM:
COOLBRANDS INTERNATIONAL, INC.**

8300 Woodbine Avenue, 5th Floor
Markham, Ontario, Canada L3R 9Y7

Contact: Michael Serruya
Telephone: (905) 479-8762

Contact: David Stein
Telephone: (631) 737-9700 (x216)

FOR IMMEDIATE RELEASE: July 7, 2003

**COOLBRANDS COMPLETES PURCHASE OF BRANDS AND DISTRIBUTION
ASSETS FROM DREYER'S AND NESTLÉ**

**Dreamery, Whole Fruit Sorbet, the License to the Godiva Ice Cream Brand
And the Second Largest U.S. DSD Ice Cream Distribution System
Are Divested to CoolBrands after Merger of Dreyer's and Nestlé Ice Cream**

CoolBrands International, Inc. (TSX: COB.A) announced today that Integrated Brands, Inc., its wholly owned subsidiary, has completed the purchase of the Dreamery, and Whole Fruit[®] Sorbet brands from Dreyer's Grand Ice Cream, Inc. ("Dreyer's"), as well as the right to the license for the Godiva[®] ice cream brand, which was assigned by Dreyer's, and that Eskimo Pie Frozen Distribution, Inc., a newly formed wholly-owned subsidiary of CoolBrands, has completed the purchase from Nestlé of most of the Häagen-Dazs frozen dessert distribution assets in the U.S.

"With this acquisition, CoolBrands becomes one of the leading U.S. ice cream companies, with strength in the packaged ice cream and frozen novelties segments of the ice cream category," said David J. Stein, President and Co-CEO of CoolBrands. "As the second largest U.S. DSD ice cream distribution company, with strong brands covering a broad spectrum of frozen dessert products, CoolBrands has significantly increased its penetration of the world's largest ice cream market and enhanced the Company's potential for future growth."

CoolBrands paid approximately CDN\$13.5 million in cash to acquire the brands, including inventories, and distribution assets in the States of Washington, Oregon, Florida, California, Pennsylvania, New Jersey, Utah, Minnesota, Georgia, Maryland, and the District of Columbia.

CoolBrands now operates its distribution system in the configuration and with the product mix in place prior to the closing, consisting in large part of Häagen-Dazs and other Nestlé brand products. CoolBrands anticipates that it may require up to 12 months after the closing to complete the integration by CoolBrands of the Dreamery[®], Godiva[®] and Whole Fruit[™] sorbet business into its new distribution system. CoolBrands will continue to distribute certain product lines for Dreyer's pursuant to the transaction agreements.

About CoolBrands

CoolBrands manufactures, distributes and markets a broad range of frozen desserts and frozen novelties under its own Eskimo Pie, , Chipwich, and Fruit-A-Freeze, brand names, as well as under the Tropicana, , Weight Watchers, Smart Ones, , Welch's, , Betty Crocker, , Trix, and Yoplait, brand names pursuant to long-term licensing agreements. Eskimo Pie, created the frozen novelty industry in

1921 when its founder, Christian K. Nelson, invented the chocolate-coated ice cream bar. Today, more than 80 years later, Eskimo Pie, remains one of the best-known and most widely distributed of all frozen novelty brands. CoolBrands also franchises and licenses frozen dessert outlets operated under a Family of Brands including Yogen Fruz, , I Can't Believe It's Yogurt, , Bresler's, , Swensen's, , Golden Swirl, , Ice Cream Churn, and Java Coast, Fine Coffees, with company-owned, franchised and non-traditional partnership locations in approximately 80 countries around the world. CoolBrands' Foodservice Division is a leading manufacturer and supplier of premium soft serve ice cream, frozen yogurt, custard and smoothies for the foodservice industry. CoolBrands also manufactures and sells a full line of quality flavors, chocolate coatings, fudge sauces, powders for chocolate milk, egg nog bases and other ingredients and flexible packaging products for use in private label dairy products in addition to the Company's brands.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:

Information in this release relating to the Company's future plans and performance are “forward looking statements” and, as such, involve certain risks and uncertainties that could cause actual results to vary materially. Potential risks and uncertainties include, but are not limited to: (1) the highly competitive nature of the frozen dessert market and the level of customer interest in the Company's products, (2) product costing, (3) the weather, (4) the performance of management, including management's ability to implement its plans as contemplated, (5) the Company's relationships with its customers, franchisees, licensees and licensors, and (6) government regulation.