

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

July 28, 2004

Item 3 News Release

CoolBrands issued four press releases disclosing the material changes. Two press releases were issued by CoolBrands on July 28, 2004 through Canada Newswire. Two subsequent press releases containing additional information, and disclosing a normal course issuer bid, were issued by CoolBrands on July 29, 2004 through Canada Newswire.

Item 4 Summary of Material Change

On July 28, 2004, Weight Watchers International (“Weight Watchers”) informed CoolBrands that it would not be extending its existing licence agreement with CoolBrands. As a result of the inability of Weight Watchers and CoolBrands to conclude an extension of their existing license agreement on mutually agreeable terms, the CoolBrands license agreement with Weight Watchers will end on September 28, 2004.

CoolBrands manufacturing agreement for Skinny Cow(R) frozen dessert products has been automatically been extended to August 2011, and CoolBrands and Dreyer’s Grand Ice Cream Inc. (“Dreyer’s”) have entered into discussions relating to further potential licensing and manufacturing relationships with respect to the Skinny Cow brand, as well as certain other Dreyer’s brands.

CoolBrands intends to make a normal course issuer bid under which it will be entitled to repurchase for cancellation a maximum of 550,000 Class A subordinate voting shares over a twelve-month period starting from the date that is two trading days from the date of approval of the normal course issuer bid by the Toronto Stock Exchange.

Item 5 Full Description of Material Change

Weight Watchers Licence. As a result of the inability of Weight Watchers International and CoolBrands to conclude an extension of their existing license agreement on mutually agreeable terms, the license agreement will end on September 28, 2004. CoolBrands has the right to continue to market “Smart Ones” frozen desserts using the Weight Watchers

name on its packaging until September 28, 2005. Thereafter, CoolBrands intends to continue marketing its line of low fat and fat free “Better for You” frozen desserts under an alternative brand licensing arrangement currently under discussion.

CoolBrands current Weight Watchers “Smart Ones” business is expected to contribute approximately 16% of its revenues and 32% of its net earnings in fiscal 2004. Weight Watchers “Smart Ones” is the Company’s strongest single product line. CoolBrands had expected these percentages to moderate in 2005, due to the fact that this business line is mature and should be expected to grow in mid-single-digit rates, while significant new revenue sources such as Yoplait Breakfast Novelties and Dogsters should be expected to contribute to higher levels of overall revenue growth for the CoolBrands. For fiscal 2005, prior to the impact of the license termination, CoolBrands estimated Weight Watchers “Smart Ones” revenues would form 14% of revenues and 28% of net earnings.

CoolBrands will continue to sell its current line during the remainder of fiscal 2004 and all of fiscal 2005, and is not likely to face significant risk of competition from the new competing Weight Watchers line until the next reset season during the third quarter of fiscal 2005. CoolBrands does not expect that a material impact will be felt on revenues or earnings before the time when CoolBrands implements the new branding solution in fiscal 2006 for its “Better for You” frozen desserts. At that point, assuming conservatively that CoolBrands will lose 35% of this business, the impact of that loss would translate to a 4% decline in CoolBrands revenues and a 10% decline in earnings.

Skinny Cow. As a result of the acquisition of Silhouette Brands, Inc. (“Silhouette”) by Dreyer’s Grand Ice Cream, Inc., the CoolBrands manufacturing agreement for Skinny Cow(R) frozen dessert products has been automatically been extended to August 2011. The agreement also provides that CoolBrands has a first right of refusal to manufacture new Skinny Cow products. In addition, as a result of the extended manufacturing relationship between CoolBrands and Dreyer’s on the Skinny Cow brand, and based on CoolBrands’ established expertise in the development, manufacturing and marketing of “Better for You” frozen dessert products, CoolBrands and Dreyer’s have entered into discussions relating to further potential licensing and manufacturing relationships with respect to the Skinny Cow brand, as well as certain other Dreyer’s brands.

Normal Course Issuer Bid. CoolBrands intends to make a normal course issuer bid. Under the normal course issuer bid, CoolBrands will be entitled to repurchase for cancellation a maximum of 550,000 Class A subordinate voting shares (representing approximately 1.1% of the Class A subordinate voting shares) over a twelve-month period starting from the date that is two trading days from the date of approval of the normal course issuer bid by the Toronto Stock Exchange.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive 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.

Item 9 Date of Report

August 3, 2004.

(Signed) "Michael Serruya"

Michael Serruya