

**DECREASE IN THE SELLING PRICE OF CHEESE ON THE AMERICAN MARKET AFFECTS
REVENUES AND NET EARNINGS OF THE THIRD QUARTER OF FISCAL 2001**

(Montreal, February 22, 2001) – Saputo Inc announced today its financial results for the third quarter of 2001, ended December 31, 2000. During this quarter, the Company had to contend with a substantial devaluation of its inventories due to the significant decrease in the average selling price per pound of cheese on the American market. In fact, it fell to its lowest level in ten years. The ongoing improvement in the Company's manufacturing processes and the synergies developed in the normal course of activities could not fully offset the negative impact of the low average selling price per pound of cheese.

Revenues down 1.5%

Revenues reached \$490.1 million for the three months ended December 31, 2000, which was 1.5% less than the \$497.4 million attained a year earlier. The fact that the average selling price of cheese on the American market was more than 11% lower than during the same period in 1999 was the main reason for this drop in revenues.

EBITDA down 12.2%

Earnings before interest, income taxes, depreciation and amortization (EBITDA) amounted to \$57.6 million, which was 12.2% less than the \$65.6 million recorded for the corresponding period in the previous fiscal year.

In Canada, EBITDA increased slightly due to the improvement in the Company's manufacturing processes and the ongoing integration plan for Cayer-JCB Group Inc.

However, this increase was not enough to compensate for the lower EBITDA in the United States. Two main factors explain this lower EBITDA, both of them linked to the average selling price per pound of cheese on the American market, which is beyond the Company's control.

Firstly, the low average selling price per pound of cheese has made it necessary to reassess the Company's inventories at a lower value compared with the value at March 31, 2000. The impact of this re-evaluation accounts for nearly 62% of the reduction in EBITDA, or \$6.4 million for this quarter alone. The cumulative negative effect of this re-evaluation since the beginning of the current fiscal year is \$3.5 million.

EBITDA (cont'd)

Secondly, the cost of manufacturing a pound of cheese is made up of two components: milk cost and other operating costs. The price of milk, which accounts for the larger part of the Company's manufacturing costs, fluctuates with the selling price of cheese. This does not apply to the other operating costs. However, the proportion of these other costs within the total manufacturing cost will vary with the selling price per pound of cheese. The higher the price of cheese, the lower the proportion. The reverse is also true. The lower the price of cheese, the greater the proportion of these other expenses in the total manufacturing cost. During this quarter, the average selling price of cheese was approximately US\$1.08 per pound, which is US\$0.14 lower than the \$US1.22 for the same quarter last year. Accordingly, the other operating costs represented a larger proportion of the Company's manufacturing costs this quarter and reduced EBITDA by \$3.5 million compared with the third quarter of the previous fiscal year. The cumulative impact since the beginning of the current fiscal year is less, but still negative, and amounted to \$1.0 million.

Net earnings down 14.8%

Net earnings totalled \$22.4 million or \$0.44 (basic) per share, a 14.8% drop compared with the \$26.3 million or \$0.51 (basic) per share for the same quarter last year.

Cash flow up 6.5%

Cash generated before changes in non-cash working capital items since the beginning of fiscal 2001 amounted to \$134.5 million or \$2.63 (basic) per share, a 6.5% increase compared with the \$126.3 million or \$2.55 (basic) per share for the corresponding period last year. The Company used this major inflow of funds to repay \$91.1 million of its long-term debt.

Dividends

The Company's Board of Directors has declared a dividend of \$0.09 per common share payable on March 17, 2001 to shareholders of record at March 3, 2001. This dividend relates to the third quarter beginning October 1, 2000 and ended December 31, 2000.

Conference call

A conference call to discuss the 3rd quarter results will be held on Thursday, February 22, 2001 at 10:00 a.m. Montreal time. The number to call to participate in the conference call is (416) 695-5806 or 1-800-273-9672. To ensure your participation, please dial in about five minutes before the start of the call.

To listen to this call on the web, please enter:

<http://www.newswire.ca/webcast/pages/saputo20010222/> in your web browser.

For those unable to participate, an instant replay will be available to listeners up until midnight, Monday, February 26, 2001. To access the replay please dial (416) 695-5800 or 1-800-408-3053, pass code 678736.

The conference call will also be archived on the Saputo web site at www.saputo.com.

About Saputo

Saputo Inc. is a North American manufacturer of dairy and grocery products. From its dairy processing operations, Saputo manufactures predominantly Mozzarella, with expertise extending to other Italian cheeses, European cheeses and North American cheeses, as well as fluid milk, yogurt, butter, skim-milk powder, juices and value-added whey by-products such as lactose and whey protein. Some of the Dairy Products Sector's leading brands are *Saputo*, *Stella*, *Frigo*, *Dragone*, *Dairyland*, *Dairy Producers*, *Baxter*, *Armstrong*, *Caron* and *Cayer*. In Canada, Saputo also operates a distribution network where it markets a wide variety of imported cheeses and non-dairy products to complement its cheese offerings. Through its Grocery Products Sector, Saputo manufactures and distributes snack cakes, cookies, fine breads and soups, under such well-known brand names as *Vachon*, *Viau-McCormicks*, *Grissol* and *Loney's*.

Saputo employs over 8,450 people in its workforce. In its Dairy Products Sector, the Company operates 15 plants in the United States, as well as 35 plants and a network of 17 distribution centres in Canada. In the Grocery Products Sector, Saputo operates five plants in Canada along with a direct-to-store delivery network of 53 warehouses and five distribution centres. Saputo shares are listed on the Toronto Stock Exchange under the symbol SAP. For more information, visit the Company's web site at www.saputo.com.



FINANCIAL HIGHLIGHTS

(In thousands of dollars, except per share amounts)

	For the three-month periods ended December 31			For the nine-month periods ended December 31		
	2000	1999	Change	2000	1999	Change
	\$	\$		\$	\$	
Revenues						
<i>Dairy Products sector</i>						
Canada	153,080	135,790	12.7%	454,033	400,412	13.4%
United States	276,617	296,412	(6.7%)	831,294	927,608	(10.4%)
	429,697	432,202	(0.6%)	1,285,327	1,328,020	(3.2%)
<i>Grocery Products sector</i>	60,438	65,189	(7.3%)	188,265	79,333	137.3%
	490,135	497,391	(1.5%)	1,473,592	1,407,353	4.7%
Earnings before interest, depreciation, amortization and income taxes						
<i>Dairy Products sector</i>						
Canada	22,652	20,013	13.2%	64,890	58,444	11.0%
United States	26,273	36,678	(28.4%)	96,660	102,524	(5.7%)
	48,925	56,691	(13.7%)	161,550	160,968	0.4%
<i>Grocery Products sector</i>	8,676	8,876	(2.3%)	29,840	10,369	187.8%
	57,601	65,567	(12.1%)	191,390	171,337	11.7%
Depreciation of fixed assets	11,960	10,777		36,404	27,556	
Interest	8,553	10,661		27,575	26,735	
Income taxes	11,480	14,695		40,036	38,837	
Earnings before amortization of goodwill	25,608	29,434	(13.0%)	87,375	78,209	11.7%
Amortization of goodwill	3,235	3,137	3.1%	9,592	7,076	35.6%
Net earnings	22,373	26,297	(14.9%)	77,783	71,133	9.3%
Net inflow of cash related to operations before changes in non-cash operating working capital items				134,512	126,336	6.5%
Net additions to fixed assets				(26,182)	(46,370)	(43.5%)
Repayment of long-term debt				(91,072)	(106,805)	(14.7%)
PER SHARE						
Earnings before amortization of goodwill						
Basic	0.50	0.58	(13.8%)	1.71	1.58	8.2%
Fully diluted	0.48			1.65		
Net Earnings						
Basic	0.44	0.51	(13.7%)	1.52	1.43	6.3%
Fully diluted	0.42			1.47		
Net inflow of cash related to operations before changes in non-cash operating working capital items						
Basic				2.63	2.55	3.1%
Fully diluted				2.54		
BALANCE SHEET ITEMS				As at December 31		
				2000	1999	
				\$	\$	
Working capital				178,062	162,833	
Bank loans and overdraft				7,493	13,712	
Current portion of long-term debt				40,000	60,000	
Long-term debt				385,063	471,491	
Total debt				432,556	545,203	
Shareholders' equity				705,118	601,238	

For information:

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