

PRESS RELEASE
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SAPUTO GROUP INC.

**SAPUTO GROUP INC. ANNOUNCES AGREEMENT TO ACQUIRE
AVONMORE CHEESE, INC. AND WATERFORD FOODS PRODUCTS, INC.**

(Montreal, March 30, 1998) - Saputo Group announced today that it has signed an agreement with Avonmore Waterford Group plc whereby Saputo will acquire Avonmore Cheese, Inc. and Waterford Foods Products, Inc. both located in the United States, mainly in Wisconsin. Avonmore produces and markets Italian specialty cheeses such as mozzarella, ricotta and provolone under the well-established brand names of **Falbo** and **Lugano** as well as value-added products such as whey protein concentrates, ingredients blends and cream. Waterford is the largest producer of sweetened condensed milk in the US with a 30 % market share. It is also the largest producer of Swiss cheese with a 12 % US market share. Combined, the two companies have annual revenues of approximately C \$ 261 million and an annualized EBITDA of C \$ 12 million. They employ 378 people and produce 33 million kilos of cheese annually. Of the six plants acquired, two are whey processing facilities.

The acquisition price will be approximately C \$ 50.5 million (US \$ 36 million) payable in cash. The closing of the transaction is subject to customary conditions and is expected to take place on or about April 30, 1998. Avonmore and Waterford are being acquired on a debt-free basis. Saputo will finance the acquisition price through committed bank credit facilities.

Commenting on the acquisition, Lino Saputo, President and Chief Executive Officer of Saputo Group, said "This acquisition not only consolidates our position in the American mozzarella market but it will gradually enable us to transform the whey emanating from Stella's Wisconsin operations, creating added value for this product."

Saputo has established itself as Canada's leading producer of mozzarella with a share of approximately 34% of Canadian mozzarella production. Saputo produces and markets other Italian specialty cheeses and by-products such as butter, lactose and whey protein. Saputo also distributes fine imported cheeses and a large assortment of other non-dairy products that complement its cheese distribution. The Company has over 2,840 employees and operates seven manufacturing facilities in Canada and fourteen in the United States. Saputo has annual sales of approximately C \$ 1.49 billion and an EBITDA of C \$ 133 million. Saputo's Common Shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP.

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