



PRESS RELEASE
For immediate release

SAPUTO GROUP INC. ANNOUNCES A PRELIMINARY AGREEMENT TO ACQUIRE CULINAR INC.

(Saint-Léonard, August 4, 1999) Saputo Group Inc. today announced that a preliminary agreement has been concluded with SGF-Soquia inc. whereby Saputo has agreed on the conditions upon which it will launch a bid to acquire all the shares of Culinar inc. Culinar is the largest manufacturer of snack cakes and one of the more important cookie and fine breads manufacturers in Canada. The company's range of well-established national and regional brands includes **Vachon, Viau-McCormicks, Normandie, Grissol** and **Loney's**. Culinar sells its products mainly on the retail market, across Canada. More than 63% of its revenues come from snack cakes, with the remainder accounted for by cookies, fine breads, and soups. Culinar has sales of approximately \$315 million and EBITDA of \$32.9 million, on an annualized basis. The company employs about 2,000 people. Culinar products are manufactured at five plants and distributed through the company's direct store delivery network made up of 250 distribution channels, 37 warehouses and five distribution centres.

The purchase price is \$280 million. On a fully diluted basis, this will require an outlay of \$283.2 million. Saputo will pay the purchase price through committed bank credit facilities of \$180 million, subject to the usual conditions. Moreover, SGF-Soquia is committed to acquire 2,503,000 common shares of Saputo Group Inc., at a price of \$39.95 per share, for a total amount of approximately \$100 million. Culinar will be acquired by Saputo on a debt-free basis. Closing of the transaction, also subject to the usual conditions, is expected for the end of September 1999.

Lino Saputo, Chairman of the Board and Chief Executive Officer of Saputo Group, commented as follows on the acquisition: "Culinar is a fine company that deserves to be developed. Its products have an identity and many of its brands are well known names that have become leaders in their market niche."

President and Chief Operating Officer Camillo Lisio added the following statement: "Saputo's management and operational expertise combined with the strong demand for Culinar products will open up outstanding new opportunities for both companies."

About Saputo

Saputo Group Inc. is a North American manufacturer of quality cheeses renowned across Canada and the United States. Mozzarella is predominant in the Company's production, with its expertise extending to the manufacturing of other specialty cheeses such as Parmesan, Ricotta, Blue and Swiss. From its dairy processing operations, Saputo also derive value-added products such as lactose and whey protein, which it markets throughout the world. The Company's leading brands are Saputo, Stella, Frigo and Dragone. In Canada, Saputo also operates its distribution network, through which the Group markets a broad assortment of non-dairy products to complement its cheese offerings. Saputo currently employs close to 3,000 people and operates fourteen distribution centres and nine plants in Canada as well as seventeen plants in the United States. The Company's shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP.

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