

PRESS RELEASE
For immediate publication

Financial results for the 1998 fiscal year

**NET EARNINGS UP 11.5 % AND
CASH FLOW FROM OPERATIONS UP 30.3 %**

(Montréal, June 17, 1998) – Saputo Group Inc. has announced its corporate financial results for the year ended March 31, 1998.

Revenues up 81.4 %

Revenues for the year ended March 31, 1998, totalled \$ 817.3 million, an increase of 81.4 % over the previous year. Acquisitions completed during the year accounted for 84.3 % of the increase.

Net earnings for the year reached \$ 45.7 million, or \$ 1.23 per share (\$ 0.93 fully diluted), up 11.5 % over 1997. This increase in net earnings is largely attributable to a better overall performance by the Company's Canadian, Jefferson and Richmond operations.

Cash flow generated by operations before changes in non-cash operating working capital items reached \$ 64 million, or \$ 1.72 per share, compared to \$ 49.1 million in 1997, an increase of \$ 14.9 million.

The 1998 fiscal year does not reflect the full impact of the Stella acquisition as consolidated results cover a period of only 16 weeks of joint operations. In the coming year, Saputo Group Inc. will complete the integration of its recently acquired US operations. The Company also intends, however, to remain open to any development opportunities in both Canada and the United States.

Dividend

The board of directors of the Company declared today a dividend of \$ 0.06 per common share to be paid on July 17, 1998 to holders of record on July 2, 1998. The dividend relates to the fourth quarter beginning January 1, 1998 and ended March 31, 1998.

The Company

Saputo produces and markets mozzarella, other specialty cheeses and by-products such as butter, lactose and whey protein. Saputo also distributes in Canada fine imported cheeses and a large assortment of other non-dairy products that complement its cheese distribution. The Company has over 3 100 employees and operates seven manufacturing facilities in Canada and twenty in the United States. Saputo's Common Shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP.

FINANCIAL HIGHLIGHTS

(IN MILLIONS \$, EXCEPT PER SHARE AMOUNTS)	Year Ended March 31 1998	Year Ended March 31 1997	% Change
Revenue	817.3	450.5	81.4 %
EBITDA	95.4	71.7	33.1 %
Depreciation and amortization of fixed assets	13.1	7.4	77.0 %
Amortization of goodwill	2.6	0.4	-
Net earnings	45.7	41.0	11.5 %
PER SHARE			
Earnings per share			
Basic (1)	1.23	1.37	-
Fully diluted (2)	0.93	-	-
Cash generated by operations per share, before changes in non-cash operating working capital items	1.72	1.64	-
Cash generated by operations, before changes in non-cash operating working capital items	64.0	49.1	30.3 %
BALANCE SHEET ITEMS			
	March 31, 1998	March 31, 1997	
Working capital	115.9	43.1	
Long-term debt, excluding current portion	330.3	-	
Shareholders' equity	369.9	114.2	

(1) Basic earnings per share for the year ended March 31, 1997, have been calculated using 30 000 000 common shares outstanding, being the number of common shares outstanding after the conversion of the share capital and the acquisition of

Saputo Holdings, Inc.

Basic earnings per share for the year ended March 31, 1998, have been calculated using the weighted average number of common shares outstanding during the year.

(2) Fully diluted earnings per share have been calculated using 49 336 919 common shares, being the sum of the number of common shares outstanding as at March 31, 1998 (48 567 260 shares) and the shares that may be issued following the exercise

of options granted under the Company Share Option Plan (769 659 shares).

Source: Saputo Group Inc.

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