

PRESS RELEASE
For publication August 20, 1998 at 7:30 a.m.

SAPUTO GROUP INC.

**SAPUTO BOARD OF DIRECTORS APPROVES ACQUISITION OF
RIVERSIDE CHEESE AND BUTTER INC. AND BARI CHEESE LTD.**

(Montréal, August 20, 1998) - Saputo Group is pleased to announce that its board of directors approved the acquisition of all outstanding shares of Riverside Cheese and Butter Inc., a cheese manufacturer located in Trenton, Ontario. Riverside produces and markets Italian specialty cheeses such as mozzarella and parmesan as well as butter and cream, under the brand names of *Riverside* and *Della Riva*.

A portion of the purchase price of \$ 7 million will be paid through the private placement of 17 500 common shares of Saputo at a price of \$ 40 per share, with the balance paid in cash. The closing of the transaction is subject to customary conditions, including the execution of a final agreement, and is expected to take place on or about August 31, 1998.

The board of directors also approved the acquisition of all assets of Bari Cheese Ltd., a cheese manufacturer based in Vancouver, British Columbia. Bari produces and markets Italian specialty cheeses such as mozzarella, ricotta and bocconcini, as well as butter, under the brand name *Bari*.

A portion of the purchase price of \$ 4.9 million will be paid through the private placement of 11 750 common shares of Saputo at a price of \$ 40 per share, with the balance paid in cash. The closing of the transaction is subject to customary conditions, including the execution of a final agreement, and is expected to take place mid-September.

Riverside and Bari have combined annual revenues of approximately \$ 30 million. They employ 70 people and produce 4.8 million kilos of cheese per year, in two manufacturing facilities.

Commenting on the acquisition, company Chairman and CEO, Lino Saputo, said "Riverside and Bari increase the geographic diversification of our company's asset base in Canada, while consolidating our position in both the Ontario and British Columbia markets."

The Company

Saputo Group Inc. is a cheese producer with a well-established reputation and an increasing prominence in the North American marketplace. The company's main product is mozzarella, with corporate expertise extending to the production of other Italian specialty cheeses, more traditional American cheeses and value-added products derived from the residual solids of cheesemaking such as lactose, whey protein and butter. In Canada, Saputo also distributes fine imported cheeses and a wide range of other non-dairy products that complement its domestic cheese offerings. With the Riverside and Bari acquisitions, Saputo will have close to 3 200 employees and operate nine manufacturing facilities in Canada and twenty in the United States, with annual sales of approximately \$ 1.78 billion. Saputo's common shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP.

For further information:

Lynda Leith
Public Information Agent
(514) 328-3381