

Financial results for first nine months

**EARNINGS UP AT SAPUTO GROUP INC.
AND COMPANY DECLARES ITS FIRST DIVIDEND**

(Montréal, February 10, 1997) – Saputo Group Inc. today presented its second interim report to shareholders and unveiled corporate financial results for the nine months ended December 31, 1997.

Financial results

The acquisition of Stella Foods Inc. was partly financed through the issue December 10, 1997 of 9 000 000 Special Warrants priced at \$ 25 each for total gross proceeds of \$ 225 million and with respect to which a preliminary prospectus was filed December 19, 1997 with Canadian securities regulators.

Revenues for the third quarter, ended December 31, 1997, totalled \$ 196 million, an increase of 60.7 % over revenues for the corresponding quarter of 1996. Revenues for the first nine months stood at \$ 436.8 million, an advance of 27.4 % over the figure for the previous financial year. The recent acquisition Stella Foods Inc., considered the fifth largest natural cheese producer in the United States, is the main contributing factor to the increase in sales revenues with 90.6 % of the increase in the quarter, and 71.5 % of the increase for the nine months.

Net earnings for the third quarter reached \$ 11.4 million, up 6.5 % over the corresponding quarter of 1996. Stella's operations did not have an impact on net earnings of the third quarter. For the first nine months of the year, the Company reported net earnings of \$ 33.1 million, up 6.4 % over the corresponding period of the previous year.

Basic earnings per share for the third quarter rose from \$ 0.28 to \$ 0.30 (\$ 0.23 fully diluted); figures for the first nine months were \$ 0.95 and \$ 1.01 respectively (\$ 0.68 fully diluted).

In the coming year, Saputo Group Inc. expects to sustain strong growth and profitability through ongoing internal development and further acquisitions, and has recently agreed to purchase 66 _ % of Froma-Dar Inc., a distributor and manufacturer of cheddar and cheese curds. Combined with its current holdings of 33 _ %, this will give Saputo Group Inc. Total ownership of Froma-Dar Inc. The acquisition has been finalized on January 30, 1998. The company continues to explore additional investment opportunities.

Dividend

The Board of Directors of the Company declared yesterday a dividend of \$ 0.05 per Common Share to be paid on March 6, 1998 to holders of record on February 20, 1998. The dividend relates to the period beginning on October 15, 1997, being the date of the Company's initial public offering, and ending on December 31, 1997.

Holders of Special Warrants will have the right to receive dividends only if they exercise their Special Warrants before February 20, 1998. Common Shares issued upon the exercise of the Special Warrants may be subject to a hold period or other resale restrictions under applicable securities legislation.

FINANCIAL HIGHLIGHTS

	Three Months Ended			Nine Ended	Months	
	Dec. 31	Dec. 31	%	Dec. 31	Dec. 31	%
(IN MILLIONS CDN \$ EXCEPT FOR EARNINGS PER SHARE)	1997	1996	Change	1997	1996	Change
Revenue	196.0	121.9	60.8%	436.8	342.9	27.4%
EBITDA	24.5	18.8	30.3%	62.6	54.9	14.0%
Depreciation and Amortization of Fixed Assets	3.7	1.9	94.7%	7.6	5.7	33.3%
Amortization of Goodwill	0.6	0.1	-	0.8	0.2	-
Net Earnings	11.4	10.7	6.5%	33.1	31.1	6.4%
EARNINGS PER SHARE						
Basic (1)	0.30	0.28	7.1%	1.01	0.95	6.3%
Fully Diluted (2)	0.23	-	-	0.68	-	-
Cash from Operations	-	-	-	24.9	29.4	(15.3%)
BALANCE SHEET						
		Dec. 31	Dec. 31			
		1997	1996			
Working Capital		151.4	51.7			
Long-term Debt		344.9	-			
Shareholders' Equity		360.5	120.9			

(1) Basic earnings per share was calculated on the basis of the weighted number of common shares outstanding.

(2) Fully diluted earnings per share was calculated using 48 940 309 shares, being 39 470 500 common shares currently outstanding, 9 000 000 common shares to be issued pursuant to the exercise of special warrants and 469 809 common shares that may be issued under the Company's share option plan.

Source: Saputo Group Inc.

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