

**Financial results for first half announced**

**EARNINGS UP AT SAPUTO GROUP INC.  
AS COMPANY GOES PUBLIC AND EXPANDS INTO US**

*(Montréal, November 17, 1997)* Saputo Group Inc. today presented its first interim report to shareholders and unveiled corporate financial results for the six months ended September 30, 1997.

Gross proceeds from the Company's initial public offering of 9 470 500 common shares priced at \$ 17 each totalled \$ 161 000 000 of which \$ 21 000 000 was used to pay down bank indebtedness upon exercise of the underwriters' over-allotment or greenshoe option. The offering was completed October 15, 1997.

Revenues for the second quarter, ended September 30, 1997, totalled \$ 123.2 million, an increase of 8.1 % over revenues for the corresponding quarter of 1996. Revenues for the first six months stood at \$ 240.8 million, an advance of 9.0 % over the figure for the previous financial year. The recent acquisition of a cheese distributor and importer, Fromages Caron Inc., and a fluid milk and ice cream company, Crémérie des Trois-Rivières Ltée, contributed handsomely to the notable increase in revenues.

Net earnings for the second quarter reached \$ 10.9 million, up 6.5 % over the corresponding quarter of 1996. For the first six months of the year, the Company reported net earnings of \$ 21.6 million, up 6.3 % over the corresponding period of the previous year.

Basic earnings per share for the second quarter rose from \$ 0.34 to \$ 0.37; figures for the first six months were \$ 0.68 and \$ 0.72 respectively. Basic pro-forma earnings per share for the second quarter rose increased from \$ 0.26 (\$ 0.26 fully diluted pro-forma) to \$ 0.28 (\$ 0.27 fully diluted pro-forma), whereas basic pro-forma earnings per share rose for the first six months increased from \$ 0.52 (\$ 0.51 fully diluted pro-forma) to \$ 0.55 (\$ 0.54 fully diluted pro-forma). Bank indebtedness decreased from \$ 14.1 million to \$ 3.1 million.

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 Stella Foods Inc., a major US cheese producer, for US \$ 405 million in a transaction to be finalized in December 1997. The company continues to explore additional market opportunities.

## FINANCIAL HIGHLIGHTS

(IN MILLIONS CDN \$ EXCEPT FOR EARNINGS PER SHARE)	Three Months Ended			Six Months Ended		
	Sept. 30	Sept. 30	%	Sept. 30	Sept. 30	%
	1997	1996	1996	1997	1996	Change
Revenue	123.2	113.9	8.1%	240.8	220.9	9.0%
EBITDA	19.4	18.5	4.9%	38.1	36.0	5.8%
Depreciation and Amortization of Fixed Assets	1.9	1.8	6.9%	3.9	3.7	4.7%
Amortization of Goodwill	0.1	0.1	-	0.2	0.2	-
Net Earnings	10.9	10.3	6.5%	21.6	20.4	6.3%
EARNINGS PER SHARE						
Basic (1)	0.37	0.34	6.6%	0.72	0.68	6.3%
Basic Pro-Forma (2)	0.28	0.26	6.6%	0.55	0.52	6.3%
Fully Diluted Pro-Forma (3)	0.27	0.26	6.5%	0.54	0.51	6.3%
Cash from Operations	-	-	-	19.6	20.2	3.3%

## BALANCE SHEET

	Pro-Forma (4)		
	Sept. 30 1997	Sept. 30 1997	Sept. 30 1996
Working Capital	42.1	30.4	42.1
Long-term Debt	1.4	1.4	-
Shareholders' Equity	122.6	107.8	113.9

(1) Based on 30 000 000 shares.

(2) Based on 39 470 500 shares, which include 9 470 500 shares issued through the initial public offering on October 15, 1997.

(3) Based on 40 020 500 shares, which include 550 000 shares that may be issued through the share option purchase plan.

(4) The pro-forma takes into consideration the initial public offering of shares on October 15, 1997.

**Source : Saputo Group Inc.**

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