

SAPUTO GROUP INC.

PRESS RELEASE

SAPUTO GROUP INC. ANNOUNCES AGREEMENT TO ACQUIRE STELLA FOODS, INC.

Montreal, November 10, 1997 - Saputo Group announced today that it has signed an agreement with Specialty Foods Corporation whereby it will acquire Stella Foods, Inc. Stella is the fifth largest cheese producer in the United States and is present in all segments of the cheese industry, selling branded and private label products to retail, industrial and food service customers. Stella's portfolio of products is sold under well-established national and regional brands including ***Stella, Frigo, Gardenia, Dragone*** and ***Lorraine***. Mozzarella-type cheeses represent more than 50% of its revenues while the remainder consists of specialty cheeses. Stella has annual revenues of approximately US\$725 million (C\$1 billion) and an annualized EBITDA of US\$45 million (C\$63 million). Stella, with 1,800 employees, produces 425 million pounds (192 million kilos) of cheese annually in 12 production facilities located in 5 U.S. states.

The acquisition price will be US\$405 million (C\$563 million) payable in cash. The closing of the transaction is subject to customary conditions and is expected to take place no later than the end of this year. Stella is being acquired on a debt-free basis. Saputo will initially finance the acquisition price through committed bank credit facilities and is considering raising approximately C\$200 million (US\$144 million) in equity to maintain its financial flexibility.

Commenting on the acquisition, Lino Saputo, President and Chief Executive Officer of Saputo Group, said "Stella Foods is a great fit for Saputo. The acquisition of Stella significantly strengthens our position in the North American market and further enhances our ability to be an active participant in the ongoing industry consolidation and rationalization. The combination of Saputo's heritage which is based on cheese and Stella's strong position in the United States offers substantial new opportunities to both Stella and Saputo."

Saputo has established itself as Canada's leading producer of mozzarella with a share of approximately 34% of Canadian mozzarella production. Saputo produces and markets other Italian specialty cheeses and by-products such as butter, lactose and whey protein. Saputo also distributes fine imported cheeses and a large assortment of other non-dairy products that complement its cheese distribution. The Company has over 950 employees and operates six manufacturing facilities in Canada and two in the United States. Saputo has annual sales of approximately C\$461 million (US\$332 million) and an EBITDA of C\$73 million (US\$53 million). Saputo's Common Shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP. Saputo was advised by Schroders on the acquisition.

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