



PRESS RELEASE
For immediate publication

SAPUTO GROUP INC.

**SAPUTO GROUP INC. ANNOUNCES AGREEMENT
TO ACQUIRE FROMA-DAR INC.**

(Montreal, December 23, 1997) - Saputo Group announced today that it has signed an agreement to acquire the 66.66 % interest it did not yet own in Froma-Dar Inc. In so doing, Saputo will be the sole shareholder of Froma-Dar, a distributor and manufacturer of cheddar and cheese curds.

This acquisition will enhance Saputo's distribution network, in Quebec, in all three market segments in which the Company operates: retail, foodservice and industrial. Froma-Dar has annual sales of \$ 28 million and employs 70 individuals at its St-Boniface-de-Shawinigan plant as well as its distribution center located in Boucherville, Quebec. The Company produces 1.7 million kilograms of cheese annually and generates an EBITDA of \$ 750 000.

The closing of the transaction is scheduled for no later than January 31, 1998.

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 in Canada fine imported cheeses and a large assortment of other non-dairy products that complement its cheese distribution. With the acquisition of Stella Foods, Inc., the Company has over 2 700 employees and operates six manufacturing facilities in Canada and fourteen in the United States. Saputo, on a pro-forma basis, has annual sales of approximately C \$ 1.46 billion (US \$ 1 billion) and an EBITDA of C \$ 136 million (US \$ 98 million). Saputo's Common Shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP.

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