



**PRESS RELEASE**  
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## **FINANCIAL RESULTS FOR THE SECOND QUARTER OF FISCAL 2000**

### **NET EARNINGS UP 28.8% AND CASH FLOW UP 29%**

*(Saint-Léonard, November 23, 1999)* - Saputo Group Inc. today released its corporate financial results for the quarter ended September 30, 1999.

Saputo Group Inc achieved excellent financial performance during its second quarter of fiscal 2000. Revenues were up 2.7% and net earnings rose 28.8% compared to the second quarter of the previous fiscal year.

#### **Net earnings up 28.8%**

Saputo's revenues in the second quarter of fiscal year 2000 rose to \$495 million, an increase of 2.7% compared to \$481.8 million for the same period of fiscal 1999. The Company benefited from an increase in revenues due to the acquisition of Riverside Cheese and Butter Inc. and Bari Cheese Ltd. in September 1998, the acquisition of Culinar, completed on September 15, 1999, as well as higher sales in the international sector.

Earnings before interest, income taxes, depreciation and amortization (EBITDA) reached \$55.6 million in the second quarter ended September 30, 1999, an increase of 18.8% over the \$46.8 million in the corresponding quarter of fiscal 1999.

Net earnings amounted to \$23.7 million or \$0.49 per share (\$0.45 diluted) a 28.8% improvement over \$18.4 million or \$0.38 per share in the second quarter of 1999. Activities of Saputo Cheese USA contributed substantially to the growth in net earnings and it is expected that this input will continue along the same line in the quarters immediately ahead.

#### **Cash flow up 29%**

Net cash flow generated by operations before changes in non-cash operating in working capital items was \$76.5 million (\$1.57 per share) for the six months ended September 30, 1999, up 29% over \$59.3 million (\$1.22 per share) for the corresponding six months of the previous fiscal year.

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### **Dividend**

The board of directors of Group Saputo Inc. today declared a dividend of \$0.06 per common share, payable December 24, 1999 to shareholders of record on December 10, 1999. This dividend is for the second quarter, which began on July 1, 1999 and ended September 30, 1999.

### **About Saputo**

Saputo Group Inc. is a North American manufacturer of quality cheeses and other food products renowned across Canada and the United States. Mozzarella is predominant in the Company's production, with its expertise extending to the manufacturing of other specialty cheeses such as Parmesan, Ricotta, Blue and Swiss. From its dairy processing operations, Saputo also manufactures value-added products such as lactose and whey protein, which it markets throughout the world. The Company's leading brands are Saputo, Stella, Frigo and Dragone. In Canada, Saputo also operates its distribution network through which the Group markets a broad assortment of non-dairy products to complement its cheese offerings. Through its Culinar subsidiary, Saputo also manufactures snack cakes, cookies, fine breads and soups, under recognised brand names such as Vachon, Viau-McCormicks, Grissol and Loney's.

Saputo employs close to 5,000 people. It operates nine plants in Canada and seventeen plants in the United States for its cheeses and related milk products, five plants in Canada to manufacture other food products, as well as a network of nineteen distribution centres in Canada. The Company's shares are listed on the Montréal and Toronto stock exchanges under the symbol SAP.

**FINANCIAL HIGHLIGHTS**

(in thousands of dollars),  
except per share  
amounts)

	For the three months ended September 30			For the six months ended September 30		
	1999	1998	Change	1999	1998	Change
<b>Revenues</b>						
Canada	\$ 148.1	\$ 123.4	20.0%	\$ 278.8	\$ 245.5	13.6%
United States	\$ 346.9	\$ 358.4		\$ 631.2	\$ 642.4	
	<u>\$ 495.0</u>	<u>\$ 481.8</u>	2.7%	<u>\$ 910.0</u>	<u>\$ 887.9</u>	2.5%
<b>Earnings before interest, income taxes, depreciation and amortization</b>						
Canada	\$ 20.2	\$ 17.6	14.8%	\$ 39.9	\$ 35.9	11.1%
United States	\$ 35.4	\$ 29.2	21.2%	\$ 65.9	\$ 54.2	21.6%
	<u>\$ 55.6</u>	<u>\$ 46.8</u>	18.8%	<u>\$ 105.8</u>	<u>\$ 90.1</u>	17.4%
Depreciation and amortization	\$ 10.9	\$ 9.5		\$ 20.8	\$ 18.2	
Interest	\$ 8.2	\$ 7.9		\$ 16.1	\$ 16.5	
Income taxes	\$ 12.8	\$ 11.0		\$ 24.1	\$ 21.1	
<b>Net earnings</b>	<u>\$ 23.7</u>	<u>\$ 18.4</u>	28.8%	<u>\$ 44.8</u>	<u>\$ 34.3</u>	30.6%
<b>Cash flow generated by operations, before changes in non-cash, operating working capital items</b>						
				\$ 76.5	\$ 59.3	29.0%
<b>PER SHARE</b>						
<b>Earnings per share</b>						
Basic	\$ 0.49	\$ 0.38		\$ 0.92	\$ 0.71	29.5%
Diluted	\$ 0.45	\$		\$ 0.86	\$	
<b>Cash flow generated by operations, before changes in non-cash, operating working capital items</b>						
				\$ 1.57	\$ 1.22	28.6%
<b>BALANCE SHEET ITEMS</b>						
<b>Working capital</b>	\$ 104.3	\$ 128.7		\$ 114.7	\$ 117.7	
<b>Long-term debt, excluding current portion</b>	\$ 305.6	\$ 370.2		\$ 457.7	\$ 371.3	
<b>Shareholders' equity</b>	\$ 463.9	\$ 391.5		\$ 583.7	\$ 413.8	

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